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War Office Selection Boards (O.C.T.U.)¹

By Col. F. I. DE LA P. GARFORTH

INTRODUCTORY

EVERY practical student of society and human nature is aware of the waste, inefficiency and unhappiness, which arises from occupational misfits. Men are constantly found condemned to do work which is uncongenial, or above or below the scope of their abilities. It follows that any development in the science and art of personnel selection has a wide social significance beyond the material concern to the group affected. There has been such a development of technique adopted by the W.O.S.B.s in the British Army during the last two years—carried out under the Adjutant-General by the Director of Selection of Personnel. These authorities were assisted by the G.O.C.-in-C. Scottish Command, and the Director of Army Psychiatry.

Quick and scientifically valid methods have been found for selecting personnel for training and employment as operatives such as tradesmen, industrial and manual workers, etc. In this direction much has been accomplished in Germany and America; and here by the National Institute of Industrial Psychology and others. A very different problem is that of selecting administrative or executive personnel, or officers in the services. Until recently, little attention had been paid to this matter except in Germany, where psychological methods have been extensively used for selecting, among others, the particular type of officer required by the German Army.

In peace time the process of selecting administrative or executive personnel for Government services, the professions, and private enterprises, is a long one. It embraces school, university, and subsequent careers; examination of all kinds; the exercise of personal choice; interviews, etc. This method is palpably impossible for selecting officers for an expanding or expanded army under emergency conditions of man-power shortage. Time is vital; there are few obvious pointers to ability for military leadership in the back history of most candidates. The duties and responsibilities of an officer represent a radical departure from anything previously experienced. Military leadership has many useful varieties, and now public opinion demands that a real attempt shall be made to find the potential leaders among types of candidates who do not conform closely to the previously accepted pattern.

Before the establishment of W.O.S.B.s, selection of candidates for commissions was based on the recommendations of C.O.s sifted by a very short interview before a Command Board consisting generally of several senior officers. Such a system may be acceptable when the supply of candidates is large in relation to demand and contains a fair proportion of suitable material. The margin of error must have been appreciable and can safely be said to have included more rejections of likely candidates than acceptances of unsuitable ones. This degree of error is not tolerable when the general man-power situation becomes acute.

It is impossible here to give more than a bare outline of the general structure and procedure of a typical W.O.S.B., and to touch on a few of the more controversial and interesting aspects of the methods of assessment employed. Though the general structure and working principles of Boards are similar, each has its own individuality of programme.

¹ Reprinted by kind permission of the Editor of the *Royal Engineers' Journal* for December, 1944.

PUBLIC ADMINISTRATION

In outline, a W.O.S.B. is a team of four officers—President (Colonel), Military Testing Officer or M.T.O. (Major or Captain), Psychiatrist (Major or Captain), and Psychologist (Subaltern)—charged with the task of assessing the acceptability of candidates for O.C.T.U. training and forecasting the probable future standard (six months after being commissioned) of accepted candidates. To this team one or more visiting officers from units are generally added for each batch of candidates; though not members of the board their opinions are invited and are generally of value. Technical interviewers are included as necessary (R.E., R.E.M.E., R.A.S.C., etc.).

A normal testing period is three days. The essential problem of the W.O.S.B. is to try and reach sound conclusions in three days over a problem on which one would like to spend three months, or even three years. Candidates are of all ages from 18 to 50 and have included university professors, distinguished engineers, ex-civil servants, at least one extremely clever and able ex-Cabinet Minister from Central Europe, as well as musicians, journalists, actors, and errand boys. The candidates are treated as potential officers during their "course," and every effort is made to put them at their ease while under test and when off parade. The testing officers mess with the candidates, and it is remarkable how much success attends the efforts made to produce an atmosphere comparable to that of a good officers' mess. The actual tests are conducted in the spirit of trying to find enough basic good qualities in each candidate for acceptance, rather than in trying to fault him. No single test is decisive and the candidate is told this.

Candidates on arrival are organised into "groups" of 7 to 12 men (8 is generally accepted as the ideal number) and allotted numbered armbands. They are known by these numbers during the course. Rank and service are disregarded as between candidates.

In outline a programme includes:—

- | | | |
|-------------------|---------------------|--|
| (a) Written Tests | Questionnaires | 2. One educational and occupational, the other personal and medical. |
| | Intelligence Tests | 3. Each 20 minutes. |
| | Psychological Tests | 3. Indicate basic personality characteristics |
| | Maths. paper | 1. Used chiefly for technical arms. |
| (b) M.T.O.'s | | 7. Plus short interview. |
| Practical Tests | | |
| (c) Interviews | Officer quality | 1. Each interview about 30 minutes. |
| | Psychiatric | 1. Psychiatrists are generally unable to interview all. |
| | Technical | 1. Technical only when required. |

INTELLIGENCE TESTS

The limitations of Intelligence Tests are frequently misunderstood. It is a pity that no other word can be found to substitute for "intelligence." This is very loosely used in ordinary conversation. A good parrot-like memory and the "gift of the gab," coupled with an attractive personality, are convincing to most ordinary observers, but in some cases these cover a marked lack of real intelligence. Alternatively, some highly intelligent and able young men are not impressive at first sight. There are rare cases of men with a very high specialised aptitude for some particular activity who by virtue of this may be commonly, but wrongly, regarded as having much general intelligence. Such men will not get a high score in the types of intelligence test used in W.O.S.B. Speaking broadly, a fairly high score in the Intelligence Tests is a reliable indication of a quick and flexible brain, with a capacity for rapidly grasping and analysing all the factors in unfamiliar subjects and situations. "A man with his wits about him" is a fairly close description.

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A high intelligence rating is a valuable asset to an officer, provided he also possesses the essential qualities of character, leadership, and personality.

The man who gets a poor intelligence score may have the assets of character, drive, and personal energy. He may, by prolonged study and application, have attained success in his own line of business. It is unfortunate, however, that even so, he is unlikely to make a satisfactory officer. This has been proved at O.C.T.U. where he has a tendency to break down and be "R.T.U.d,"² due to the difficulty of absorbing the crammed and varied instruction. He is not adaptable or quick to grasp new subjects, and would be unlikely to react wisely in unfamiliar, sudden, and complicated situations in which he would have to bear responsibility. He may, therefore, be a menace in the field, not only to himself but to the men under him. He would also find it hard to inspire the confidence of subordinates of considerably greater intelligence than his own.

In W.O.S.B.s the intelligence test results are checked against performance in other tests; when there is any good reason to doubt their accuracy alternative ones are given. Sometimes a candidate is off-colour at the time of the tests owing to a long and awkward journey the night before, a bilious attack, or some other cause.

The intelligence tests used are of a standard type which have been scientifically validated by prolonged research. For the purpose of arriving at the particular scale to be used in army selection, a large sample of serving officers and men were tested. The scale used in W.O.S.B.s, based on a combination of the results in all three tests, is:—

- (a) Of outstanding analytical intellectual ability, normally capable of first-class University Honours given suitable education and application.
- (b) A long way above the level of the average serving officer.
- (c) Distinctly above the level of the average serving officer.
- (d) Average serving officer.
- (e) Just below the level of the average serving officer.
- (f) Below the level of the average serving officer.
- (g) Above the level of the average private soldier.
- (h) Just above the level of the average private soldier.
- (i) {
- (j) } Round about the level of the average private soldier.
- (k) }

It is a finely divided scale but is justified by statistical investigation. If the scale were to be continued to embrace the whole population, a number of additional points below (k) would have to be added. Candidates are seldom accepted unless their test results are (h) or higher, but a candidate is never rejected on intelligence grounds alone unless he is below (g).

PERSONALITY POINTERS

This is the name given to the inferences made by the psychologist about the personality of the candidate. These inferences are not used by the Board as independent evidence, but are used by the psychologist and psychiatrist as part of their data in making a final assessment.

The "pointers" are based on evidence which is provided by the two questionnaires and the three psychological tests. The questionnaires are carefully designed and comprehensive, and help a candidate in setting out all relevant information regarding his background, education, hobbies and interests, social activities, games, occupational record, military record, and medical history.

² i.e., Returned to Unit.

It is impossible to go into the theory or details of the psychological tests in a short article. It is a fact, however, that expert interpretation of the three tests, in the light of the information given by the questionnaires and the intelligence tests, leads to a provisional assessment of basic characteristics. This assessment can be arrived at without the assessor ever meeting the candidate. Its results are regarded as nothing more than a "pointer" and are of value in deciding which candidates should be interviewed by the psychiatrist. It also assists the psychiatrist in his interview by giving him lines of enquiry. The "pointers" are useful in suggesting matters needing special observation or testing in the M.T.O. tests or "officer quality" interview. It sometimes happens that the "pointer" provides the first clue that a candidate, who seems unimpressive, has much more in him that appears on the surface.

M.T.O. TESTS

The specification for an ideal M.T.O. is that of a superman. He should be first and foremost a good regimental officer, preferably with battle experience, or his ideas may be too hazy and divorced from the "feel" of military leadership and man management. He should have high intelligence, or he may fail in interpreting the reactions and behaviours of such candidates as have high intelligence. He must be interested in human beings and reasonably free from pronounced personal prejudices and intolerance. He must be willing to learn, and conscious of how superficial and inaccurate are ordinary methods of rapid judgment and grading of human material. The tests are of many types and can vary infinitely within each type. They can be classified in several different ways, of which perhaps the simplest for the present purpose is:—

- (a) Individual situations.
- (b) Command group situations.
- (c) Leaderless group situations.

Within each of these categories tests may vary from those demanding primarily powers of thought and understanding to others in which capacity for action and command is the chief requirement. These two attributes do not always go together in balanced proportions. The more useful tests, particularly in a short programme, are those which provide evidence on both counts—but the more specialised tests have their uses.

Examples of "Individual" Tests are:—

- (i) A particular candidate is picked out and "put in the picture" of some situation which may be military or non-military. He is then asked to describe, or to take, the course of action which he would follow. The situation is generally simple as regards "ingredients" but offers a variety of solutions, good, bad, and indifferent. In military situations careful allowance must be made for previous training and experience, or for its absence.
- (ii) Company office (man management). The candidate is put in the position of a newly joined officer who has to deal with a personal interview (*not* disciplinary) question affecting one of his men. Another candidate is briefed as stooge and brought in. The validity of this test excites controversy among the experts, and certainly demands skilled and experienced observation if unwarrantable deductions are to be avoided. Alternatively, each candidate is given a few moments to prepare and deliver a short talk to his men (represented by the other candidates) on some straightforward subject affecting morale, behaviour, or discipline.

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- (iii) Individual selective obstacles. After carefully planned briefing and reconnaissance, the candidate is faced with a variety of obstacles or tasks, each carrying differing point values, and is given a limited time in which to make the best score he can. One or two of the dozen or so obstacles may be compulsory. This is a most illuminating test, but again needs experienced and intelligent observation and judgment. Performances cover a very wide range—from a brilliant combination of mind, "guts," and athleticism, to a complete failure to plan or perform, accompanied by astonishing loss of head and nerve.

In "*Command Group Situations*" candidates are in turn placed in charge of their group and faced with some problem or task which has to be planned, organised, and executed by the group.

Leaderless Group Situations are tests in which the Group is faced with a task or situation without any leader having been appointed by the testing officer. This is, in the opinion of the writer, by far the most valuable and, all things considered, the fairest type of test, provided the M.T.O. is a well-trained, and naturally acute, observer. Tests may vary from the "Group Discussion," in which the 8 or 10 candidates sit round in easy chairs and are told to select a subject for discussion and talk about it to each other, to a "Group Task" which may involve improvising, with limited materials found on the spot, some method of "escaping" as a group over a wire entanglement, including electrified wire and alarms. In another form of the test Groups are told to invent their own situations and act on them. In judging these tests the observer watches above all the interpersonal reactions of the group, and the significance of the contributions to direction or execution made by each member of the group. It is by no means always the candidate who talks the loudest or most, or apparently takes the lead, that gets the highest grading.

THE PSYCHIATRIC INTERVIEW

It is perhaps worth explaining the difference between a psychiatrist and a psychologist. The former is, in this country, a doctor who has also qualified in psychology and the treatment of nervous and mental patients. The psychologist is not necessarily a doctor and in the realm of psychology he is concerned, more than is the psychiatrist, with the study of ordinary human beings in relation to intelligence, aptitude and other tests; working and social conditions; fatigue; and "normal" behaviour generally. There are, unfortunately, few fully qualified and experienced psychologists available.

The majority of men, especially in this country, are healthily devoid of any interest in psychiatry. This indifference tends to turn into aversion, ridicule, or alarm at the mere suggestion of any close approach to what is regarded as a queer interest for queer people. Though robust, this state of mind has the effect of missing certain practical benefits which can be attained through psychiatric and psychological methods more readily and efficiently than in any other way yet devised.

Because a part of current psychological theory has been based on the investigation of abnormalities of mind and personality (just as much medical theory has been founded on a study of exceptionally morbid conditions of the body), some people jump to the conclusion that psychiatrists have no other interest but in abnormal cases. Other, perhaps more rational, critics feel a revulsion against the invasion of mental privacy which is unavoidable in prolonged psychiatric investigation. Yet others have a well justified sense of the youth of the science of psychology—a point of view which is fully shared by every psychiatrist

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with whom the writer has discussed the matter. The critics take counsel of their fears to the extent of opposing any trespass by psychiatry beyond the field of the admittedly abnormal.

To return to W.O.S.B.s, in the experience of the writer the types of case over which, as President, he found the expert psychiatric opinion of most value were as follows:—

- (a) Cases of young candidates, who might profit by more time in which to develop or adjust themselves to Army conditions before going to an O.C.T.U. (This is a medical as well as a psychiatric matter.)
- (b) Cases where there is doubt whether a candidate would, as an officer, be likely to look after his men well. (The psychiatrist is often able to dispel or to confirm doubts on this point.)
- (c) Border line cases as regards self-confidence and self-reliance.
- (d) Discussion of cases in which the intelligence test results were border line or unusual.
- (e) The uncommon cases of exceptionally taciturn, unforthcoming, or apparently diffident candidates, who have shown up poorly in other tests, but in whom there may be more than appears on the surface. Also the outwardly meek and mild, or intellectual type of candidate who may also possess a hidden reserve of determined pugnacity which is likely to emerge in action. (In such cases the psychiatric opinion was often decidedly in favour of the candidate.)
- (f) The very rare cases—probably less than one per cent.—in which, on purely technical psychiatric grounds, the psychiatrist is strongly against an otherwise acceptable candidate. Such a candidate may be good material—except that he has some psychiatrically recognisable kink in his personality which makes him liable to break-down or black-out under great strain or emergency—he is, therefore, an “unjustifiable risk” both to the Army, the men under him, and to himself, as a junior officer in the field. In boards where more than one psychiatrist is available, it is common to take a second opinion on these cases. The candidate can always appear before another board, if recommended by his C.O., and the second board will have no knowledge of the previous grounds of rejection.

The sincere impression of the writer is that he has taken part in more discussions in which the psychiatrist was advocating acceptance of a controversial candidate than the reverse. Psychiatrists are generally adept at putting a subject at his ease in an interview, and often a candidate does himself more justice in talking freely, to the psychiatrist, about his past interest and achievements, than to the “officer quality” interviewing officer.

THE “OFFICER QUALITY” INTERVIEW

This interview is carried out by the President or Deputy President in a W.O.S.B. Its object is to get to know the candidate and assess, so far as is possible by interview alone, his suitability as a potential officer.

Part of the evidence is of course the report of the candidate's Company Commander or C.O. Every effort has been made to improve the quality of these reports. In many cases they are of great value to the Board, but in others it is quite obvious that they have been prepared without much care or thought and with little personal knowledge of the candidate. This and the candidate's answers to Questionnaire 1 act as a guide to the interviewing officer, who then tries to put him at his ease while leading him to talk about his achievements

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and interests in the past, with particular reference to any activities involving leadership, his hobbies and games, his conception of an officer's responsibilities and role, his knowledge of current affairs and personalities, and his real reasons for wishing to become an officer. Usually to obtain evidence to back his judgment, the interviewing officer must be prepared to spend 20 to 30 minutes on each interview, although it is often possible to reach an unsupported "intuitive" (and possibly erroneous) conclusion in a few minutes.

The science and art of interviewing is a fascinating subject. Every interviewer must develop a technique which suits his own idiom and personality, but there are certain fundamental rules which apply to ensure reasonably fair judgments. The interview must follow a flexible but nevertheless definite plan; the interviewer must know his own foibles and be on his guard against unfounded likes and prejudices; he must be sensitive to the various indications of nervousness, confidence, evasion, bluff, hostility, and sincerity; he must have the utmost patience. However skilfully conducted an interview may be, the result can never be absolutely reliable. Cases occur in which there is a wide difference between officer quality interview assessment and the assessments depending on the M.T.O., psychological tests, and the psychiatrist. On examination and discussion it is generally found that each of the four assessors has been perfectly justified in reaching his own separate conclusions on the particular evidence within his observation. Then comes the task (at the final Board conference) of integrating these different opinions into a final assessment of the candidate's performance as a whole.

THE TECHNICAL INTERVIEW

The technical interview, in the case of R.E. and R.E.M.E. candidates, generally lasts 30 minutes. To save time, the interviewing officer is normally given in advance the mathematics test paper done by the candidate and his technical occupational record and qualifications. The balance between theoretical knowledge, practical experience, intelligence, trainability, and specialist, as opposed to general qualifications, presents a problem of very considerable complexity in which great care and skilful judgment are needed if consistent standards are to be maintained. Very valuable indications on the subject of officer quality (i.e., powers of leadership, control of men, integrity, self-reliance, loyalty, and determination) are often obtained in the course of the technical interview and provide a useful check on the results of the officer quality interview.

THE FINAL BOARD CONFERENCES

At this conference the opinions and observations of all officers who have had dealings with each candidate during his three days' course are thrown into the pool and, after discussion, a final decision is made by the President as to whether the candidate is accepted, rejected, or "put back" for further general or specific training.

The procedure varies in different Boards, but it is usual for the candidates to appear before the Board. The President then checks certain details—unit, age, medical category, choice of arm, and the candidate withdraws. The appearance of the candidate in person helps to stimulate the memory of the members of the Board and avoids any possible risk of talking at cross purposes. After he has withdrawn, his intelligence test grading is read out and in turn each member of the Board states his own grading assessment of the candidate. Very often these gradings agree or only differ slightly. Such cases need little discussion. It should be noted here that the interviewing officers have generally observed two or three of the M.T.O. tests, in addition to doing their interviews.

The interesting cases in which discussion is often prolonged are those in which there is a wide divergence of opinion, border line cases of acceptance or rejection, "put back" cases, and cases where one or more members of the Board assess the candidate as "outstanding." After discussion the President makes his decision, which is final as far as the Board is concerned (but subject to W.O. approval)—except, as happens occasionally, when the candidate is held for a further interview or test before a final decision is made. A rejected candidate is not debarred from appearing later before the same or a different board.

The grading system employed is based on comparing the Board's forecast of the future ability of the candidate, after O.C.T.U. training and six months' commissioned service, with their estimate of current standards among serving subalterns in his proposed arm of the service. The classifications used are:—

(i) Outstanding	1 in 100 of satisfactory serving subalterns
(ii) Much above average	Top 10% " " "
(iii) Above average	Next 20% " " "
(iv) Average	Middle 40% " " "
(v) Below average	Lower 20% " " "
(vi) Borderline but acceptable	Bottom 10% " " "
(vii) Put back for further training and experience	
(viii) Rejected	

This classification may appear elaborate. A newly arrived member of a W.O.S.B. tends first to classify on a three-point scale (above average, average, and below average), but will soon feel the necessity of refining the scale to include categories (ii) and (iv) above, as well as (i). The practical value of this grading of accepted candidates is two-fold. First it is of value in the "follow up" of candidates' subsequent performances which provides the scientific check of the validity of W.O.S.B. procedure. Secondly, the establishment of these standards permits adjustment of intake when the demand and supply situation changes for any particular arm of the service. For instance, if, say, Royal Corps of Signals get full up and only need a small intake, the War Office may decide only to accept categories (i) and (ii).

Careful investigation has been made into the particular characteristics, both mental and physical, required by each arm of the service, and in cases where a candidate is not suitable for his originally chosen arm he can often be guided into another arm fitted to his characteristics.

Visitors to W.O.S.B.s who have remained sceptical over certain aspects of the procedure are, generally, convinced by the fairness and thoroughness of the Final Board Conference. At this all the information which has been amassed about the past history and record of the candidate, his abilities, his personality, and his performance during the "course," is placed before the Board.

The judgment of one human being regarding the personality and potential ability of another can never be wholly "scientific." On the other hand, the field of evidence on which that judgment is made, and the organisation of subordinate contributory opinions, can be prepared on a balanced and scientific system, in which every precaution is taken to eliminate or compensate for human prejudice and error. That is what W.O.S.B.s attempt to do as compared with the more or less haphazard, casual, and largely "intuitive" methods previously in use. Intuition has its place and value but is an unreliable guide when unsupported by objective observations and evidence.

In a good W.O.S.B. the margin of error should be very small. Follow-up statistics at O.C.T.U. and in units have proved beyond doubt the superiority of the W.O.S.B.

The question is sometimes asked as to how far candidates can be crammed in advance for W.O.S.B.s and so put up a performance in excess of their innate

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capacity. It is next door to impossible to "cram" for the intelligence or psychological tests, unless the particular tests (not *type* of test) to be used have been studied, solved, and memorised in advance.

The matrix test—i.e., that part of the "Intelligence test" which proves the candidate's basic intelligence, mental acumen and ability—has been given to a person, of below average intelligence, every day for a month without producing any improvement in results. On the other hand, a candidate of high intelligence may make a still better score if given this test again within a few days of his first attempt.

It may be possible to train a candidate to improve his showing in the M.T.O. tests, but if so this training will probably have had a permanently beneficial effect on his personality.

At the end of a course candidates are often asked for written anonymous comments and criticisms. One of the most common is, "What I liked most about the course was the friendly helpfulness of the staff." The same comment is often volunteered by candidates in interviews towards the end of the course—sometimes by men who were extremely nervous and uncomfortable on arrival. Nearly all say with obvious sincerity that they have thoroughly enjoyed it and feel they have had a square deal. This does not prevent some of them from shooting a fine line about its terrors and difficulties when they return to their barrack room. In the same way a disgruntled candidate will spread alarming tales of the horrors of a psychiatric interview, though in actual fact most of those who experience it describe it as interesting and helpful. An overwhelming majority of those who passed through W.O.S.B.s have formed a favourable impression of the advantages and possibilities of the system.

CONCLUSION

This article furnishes an outline of the technique developed in W.O.S.B.s and of some of the more controversial aspects of the system. The procedure compensates for the time factor by the substitution of trained, multiple, concentrated, and organised observation over a short period which includes elements of stress. The examination factor is taken into account in the academic history of the candidate and, is supplemented by the *viva voce* examination elements of the officer quality, psychiatric, and technical interviews and practical performance in the M.T.O. tests. The intelligence and psychological tests disclose fundamental capacity rather than the products of experience, educational circumstances, and specialised application. Character and personality are tested not only by assessment of past performance and record, both military and civilian, as disclosed in the questionnaires and interviews, but by observation of practical performance as a member of a group of previously unknown personalities under conditions of stress and effort.

The system is in its infancy. It is imperfect, still in large measure experimental, and many pitfalls lie in its path, but it represents a marked advance on any previous attempt to devise practical, logical, and sound methods of rapid selection of executive personnel. These methods happen to have arisen to meet the problem of selecting army officers, but they are capable, and in certain experiments have already been proved capable, of wider application. If prejudices can be converted to healthy criticism, if enthusiasm be tempered by wisdom, and if motives are reasonably altruistic and impersonal, the work done in W.O.S.B.s can make a material contribution to beginning that improved democratic social organisation which we hope to see developed after the war. Equal opportunity for equal capability will be an important goal of that society, and reliable and fair methods of assessing individual capacity, character, and special aptitude, will be demanded.

Food Inspection during War-time¹

By CECIL ASH

Senior Meat Inspector, Coventry

MINISTRY OF FOOD publicity services have given most of us an indication of the more important processes whereby the coupons in our ration books are honoured. However, it is necessary to this study to understand in some detail how, for instance, the meat ration is made available. The Meat and Livestock Control of the Ministry of Food is probably the most comprehensive of any food control, and brings into circulation the home-killed and imported meats which make up the ration. The former is purchased as livestock at a limited number of pre-war livestock markets, now known as collecting centres. A comprehensive schedule of prices is drawn up in conjunction with the Ministry of Agriculture, and stock is classified by a panel representing the farming, butchery and auctioneering interests, and paid for at the appropriate rate. The services of livestock auctioneers are principally used to administer collecting centres. In conjunction with the Ministry of War Transport the animals thus purchased are moved to appropriate slaughterhouses where the slaughter and dressing is carried out by a contractor on behalf of the Ministry. Dressed carcasses and offals are handed over to the Wholesale Meat Supply Associations, who also receive imported meats which have been handled so far on behalf of the Ministry of Food by the Meat Importers' National Defence Association. As in the case of collecting centres the personnel comprising these organisations are drawn from the traders whose business it was before the war (to import or distribute meat, in this instance). Imported meat is bought in the country of origin solely by the Ministry of Food, through the United Nations food purchasing organisation.

It is the business of the Wholesale Meat Supply Associations to distribute meat and offals to buying groups established by the retail trade, and in turn the buying groups secure equitable distribution to each shop according to the value of the individual buying permit (calculated on the number of registered customers, catering establishments, etc., supplied). In Scotland Vigilance Committees with modified functions take the place of Buying Groups.

This carefully planned decentralisation is necessary to secure distribution and also as a safeguard against interrupted communications. This object is furthered by breaking down the Meat and Livestock Control into geographical divisions with corresponding Wholesale Meat Supply Associations for each zone. For administrative purposes and to simplify accountancy, slaughterhouses and depots are grouped into area or county units within each division. Local emergency stocks and organisation are in addition provided in common with the general schemes for use following severe raiding or invasion, though so far as the latter contingency is concerned they are now largely dispersed.

The purchasing scheme for home-produced animals has resulted in a reduction of the number of fat livestock marts operating and, of course, substituted controlled for competitive prices. In place of probably some 17,000 places of slaughter only about 600 slaughterhouses now operate. On the other hand there has probably been an increase in the number of depots at which wholesale distribution of meat takes place, since in many parts of the country it was not the practice of butchers to buy meat "off the hooks" before the war.

¹ Winner of Haldane Medal, 1945.

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For simplicity, only the outline scheme of distribution of the retail meat ration has been described. Provision is also made for casualty animals; regrading where necessary after slaughter; certain appeal provisions; manufacturing meats division; liaison between the Ministry and the trade. Most of these are peculiar to the meat trade and are not essential to an understanding of Government control of foodstuffs, for which, apart from meat, similar organisations exist, though on a simpler scale. Common to all controls of food is Government ownership between production and retail distribution, by making agents for the Ministry of Food existing or specially appointed intermediate handlers.

From the point of view of the Ministry of Food very close control is provided for all rationed foods, but this close control has itself dissolved the legal sanction for supervision by the local authority. True enough, many local authority officers carry out duties of food executive officers, enforcement officers, etc., and thus play a direct part in close control—but not in their role of local government officers, for they derive their authority from local food control committees which are *not* committees of local authorities but bodies appointed by and deriving their powers from the Ministry of Food. By thus coming close to the people there is no doubt the Ministry of Food has achieved much of its success, but committees so appointed are not democratically elected; instead they are nominated by traders, employees, consumers and local authority in specified proportions, and subject to Ministry approval of nominees. The somewhat wide composition of the food control committee and the fact that local authorities' areas are chosen as the area wherein the food control committee operates have given an outward semblance of a democratic local body—indeed, the very form in which it is established is a definite compliment to local government.

Local authorities have statutory duties concerning supervision of the soundness and purity of food and of the manner in which food premises are kept. But the common law principle that "the King can do no wrong" constitutionally applied to his Ministers and agents has meant that food in Government ownership and premises in Government occupation are outside their jurisdiction. True enough the Government has desired the co-operation of local authorities and the continuance of existing services—indeed, by canalising the distribution of certain foods has facilitated such provision. Nevertheless, except where it is in the possession of the retailer, the local authority has no statutory power to seize unfit food where rationed. Even where the statutory authority is enforceable, i.e., in the retailer's hands, many local authorities' officers would feel it was ethically unjust to proceed against a retailer who is merely a further link in the chain of distribution, provided there has been no neglect or default on his part.

There still remains one instance where the legal position is unaffected—the case of an animal which has to be slaughtered in emergency prior to disposal at a Ministry of Food slaughterhouse. Clearly the provisions of the Public Health Meat Regulations apply in regard to notification and inspection of emergency slaughtered carcasses. Taken one step further, i.e., when such an animal has been delivered alive to a Ministry slaughterhouse an interesting administrative point arises, for it is not absolutely clear at which stage such an animal becomes Government property. On the one hand such an animal must be accompanied by a consignment note issued by the Ministry of Food, and the consignor has no further right of disposal of any part; on the other, instructions to slaughterhouse managers indicate that ownership does not pass to the Crown until approved by the meat inspector on post-mortem examination. Further, the question of any dispute as to fitness in such cases is deemed to lie between the consignor and inspector. The true position may only be resolved by the courts.

Government control of many foods has meant a change of emphasis in the administration of local food inspection services. Penal enforcement has given place to advisory functions with the same end in view—safeguarding of the public health. At the same time needs of the war situation have necessitated re-examination of the principles that guide their inspectors in forming judgment, and the ensuing revaluation of standards promises a more rational system for the future. Lack of statutory power to enforce decisions as to fitness of food which is Government property has not seriously impeded efficient supervision of the soundness of food supplies. It must be remembered that the majority of inspections carried out before the war rested equally upon an arrangement without statutory authority except in London—that of voluntary surrender by the owner of food adjudged unfit by the inspector. However, power of seizure of unfit food provides a definite safeguard against wilful or negligent sale of such food. If the Ministry's agents refuse to surrender food adjudged unfit the inspector has no redress. On the other hand, the owner of food seized under the provisions of the Food and Drugs Act (1938) appears equally to be without redress when a magistrate has made an order of condemnation. It must be understood that the Act provides two distinct powers in respect of unfit food:—

- (a) Power to prosecute a person who sells, exposes for sale or preparation for sale food intended but unfit for human consumption.
- (b) Power to inspect, seize and convey before a magistrate food which appears to the authorised officer of a local authority to be unfit. The owner is to be given an opportunity to bring rebutting evidence before the magistrate, who may order its destruction or otherwise.

A person convicted under (a) has all the usual rights of appeal against sentence, since proceedings are brought in the first instance before a court of summary jurisdiction. But the power of a magistrate to condemn or not appears to be final. As he has generally no technical knowledge his decision must be made, where rebutting evidence is brought, on the effectiveness of the evidence he hears.

So far as concerns meat the Ministry of Food has indicated a possible method of redressing the position. Disputes between the local authority inspector and other interested parties are referable to a technical advisor on meat inspection. One could object that an arbiter appointed by one of the parties to a dispute may be partial, but in practice such an objection could rarely be sustained. The meat trade has welcomed the setting-up of a "court of appeal" of technical officers to whom disputes can be referred without recourse to law and the unfavourable repercussions of seizure and magisterial order. Local authority inspectors have found advantageous the services of advisors of wide experience whose confirmation of decisions has strengthened their position with disputants whilst difficult or exceptional cases outside normal experience have been presented for guidance.

Thus as regards meat inspection a more rational system is emerging. The national interest has been served by effecting maximum conservation—and it must be remembered that the amount of food judged unfit is no criterion of the standard of judgment. Wide safety margins were often applied—extravagantly so in some cases. These have been narrowed during the war without adverse effect on the consumer. At the same time these margins have to some extent been standardised, since they are referable to an advisor with jurisdiction over a wide area. A further aid to uniformity has been in the reduction of slaughtering centres. In many cases several local authorities' areas have received meat slaughtered in or distributed from premises in the area of only one authority, with consequent need for co-operation among the inspectors of adjacent areas, and in the more intractable differences that may have arisen

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the availability of a third party, in the technical advisor, has helped to resolve difficulties. Moreover, the technical advisors have been a means of liaison whereby experience and practice have been handed on from one district to another. Apart from the possibilities post-war of establishing a "court of appeal" and of securing a greater degree of uniformity there also arises that of providing a comprehensive pool of knowledge and experience at first hand.

In becoming, as a result of war-time organisation of the industry, an advisory officer, the meat inspector has found the scope of his duties widened. His technical knowledge, for instance, has been sought by slaughterhouse officials in such problems as the location of organs and tissues required to be collected for pharmaceutical or industrial purposes—a branch of by-products industry which in many centres owes its origin to war-time concentration of slaughtering. Advice, too, on the hygiene of slaughter and handling of meat tends increasingly to be sought. Perhaps because of the changed relationship between him and butchers, who have found a place in the scheme of control, he is being sought out rather as a colleague with whom to co-operate than as a policeman whom to placate.

When considering supervision of foods other than meat it is necessary to distinguish between rationed and unrationed foods, and the extent of Government ownership involved. Even where the Ministry or its agents are not in actual possession of a commodity there are often controls in operation which affect the inspection, e.g., statutory specification of composition of certain foods so as to conserve ingredients in short supply. Further, certain staple foods though officially unrationed are very closely controlled, whilst a perishable article such as milk, which is officially rationed, is less closely under the care of the Ministry. Apart from considerations already applying in the case of meat, one important change has been effected in regard to a number of other foods—the disposal of unfit foods in these instances has been removed outside local authority control. The Ministry of Food salvage organisation has its own uses in these cases where worth-while quantities are involved, an arrangement which has to be accepted as a necessary contribution to the war effort though not without misgivings. In some instances unfit meat may also pass from local authority control, but here the use of a colouring matter to identify such meat is a safeguard.

Constitution of the various controls need not be considered further, but one significant feature all share should be noted—the extent to which trade interests become identified with Government. It may, indeed, be another factor accounting for the success of the Ministry of Food, whose amalgamation of commercial, central and local government personnel and experience has provided that practical example sought by those students of administration who recommend interchange of personnel in these walks of life together with closer co-relation of methods and practice in the three spheres.

Supervision of foods other than meat and milk by the local authority has not the same detailed requirements. However, there is no doubt that the volume of such inspections has increased. Public ownership of many staple foods through many stages of distribution has produced a changed attitude on the part of traders and public alike. Food has acquired a coupon as well as a cash value, and if for any reason it is not saleable or edible the right of replacement becomes an urgent matter. "Ration value" of food, together with enforced changes of qualities and varieties and varying degrees of spoilage occasioned by war circumstances, have in many cases meant that the local authority officer is required on the one hand to inspect greater quantities of food, whilst on the other exercising more discreetly his powers of rejection; at the same time his duties in this sphere have become advisory rather than statutory.

Control of standards of composition of certain foods as a measure of conservation has been mentioned already. There was for long, however, an urgent need for standards of minimum composition to be prescribed for food substitutes. Local authorities had the onerous task of trying to control them without adequate powers. The technical Press can provide abundant examples of the immunity conferred on many unscrupulous profiteers by the use of the word "substitute." Some minimum standards have now begun to emerge, and also the promise of a series of standards for a number of foods the vagaries of whose composition have provided many an inspector with a headache, and the lawyers with some handsome fees. Central government remained deaf for long to repeated demands for effective control of commodities not primarily necessities of life, but greatly in demand to add a little spice to a diet adequate physiologically but not psychologically. Apart from the promise of an ordered system of standards of purity and composition this aspect of local food supervision has introduced a new consideration in the administration of food laws—that of nutritional adequacy.

Probably the greatest single administrative problem of local food inspection departments has been that of milk. A position already weak by reason of statutory amendments long overdue became less tenable because of the urgent need to increase production at all costs. Powers vested in War Agricultural Executive Committees to this end have been such as to override such statutory control as local authorities possessed. Milk production has been largely controlled by bodies deriving their authority from the central government and composed to a considerable extent of producers' interests. Problems of distribution have been handled largely by the Ministry of Food working through trade channels. Milk has had to be produced in maximum quantities no matter how unsuitable the premises, and most of it has had to go into the liquid market whether suitable or not. Transport difficulties and the effect of bulking good and bad milks have added to the problems already enumerated and produced a state of disquiet which central government has turned to advantage by securing transfer to itself of local authorities' functions in the control of milk production.

The balance as between central and local government is primarily a constitutional issue, though in this particular instance the balance is being shifted under pretext of administrative reform. Identity of government and trade interests during the war has not only been inevitable but necessary to expedite the prosecution of the war. There is, however, danger in continuing this identity in peace-time, particularly as concerns food. Proposals are afoot, for instance, to transfer abattoir administration to agriculture in the post-war era. It has been suggested that clean milk production is purely a matter of agricultural economics from which public health administrators can step aside. The Ministry of Agriculture's proposals for the control of milk production when taken over from local authorities imply a large measure of self-control by the industry—even administrative officers are to be appointed on a part-time basis from privately practising veterinary surgeons whose clients the producers will remain! We should have learnt from Italy how sinister can be the results of organising trade and professional corporations in place of democratic institutions.

Administratively the local authority's function in the past has been to regulate the activities of the individual or body corporate in the interests of the community. In the sphere of food supervision, for instance, local authorities have held the balance for the consumer where his interests have clashed with producer and distributor. Central government has legislated for these functions and given some measure of supervision and co-ordination, in general in alliance with local government. During the war there has been some re-alignment because of the tendency for trade and Government interests to merge. If, there-

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fore, whilst such interests are closely identified, central government accrues power at the expense of local authorities, consumers' interests are likely to suffer. In those countries where the central government has organised food inspection the consumer does not appear to be better cared for. In Germany, for instance, economic interests have been held to justify the sale of diseased meat provided it is so declared!

It has fallen almost exclusively to the lot of local authorities to safeguard the consumer and, in so doing, they are accumulating equally exclusively the administrative experience and the trained staffs necessary for a more comprehensive system after the war. Concentration of slaughtering has brought very near routine meat inspection throughout the whole country. Local government recognises the need to rid itself of weaknesses, largely caused by the continued existence of uneconomic units, and has proposals for reconstruction which will provide units with resources adequate for their task. Thus rid of superficial weaknesses local government can provide in all areas the service demanded if public confidence is to be maintained, which cannot be so unless the body entrusted with supervision of food supplies possesses the technical resources and is able to hold the balance between conflicting interests by virtue of its independent position.

Central administration of a service such as food inspection is one for which the Civil Service is ill designed. The ultimate administrative object is the resolution of an immediate and individual problem—is a particular item of food pure and fit for human food at the moment of examination? True, broad principles can be laid down for guidance, but detailed instructions of sufficient flexibility and universal application are difficult to draft. The Regulations of the Bureau of Animal Industry of the U.S.A. governing meat inspection for export and interstate commerce illustrate the point fully—indeed, the argument is conceded in one instruction—that cases encountered in practice which are not covered by the lengthy and detailed regulations are left to the discretion of the individual inspector! Such a function as this cannot be related to the carefully compiled memorandum and reference to precedent which are inherent in the processes of central administration in this country. Moreover, since standards of judgment are governed among other factors by aesthetic considerations, some ready means of relating public opinion to administration is required. Food inspection partakes of an intensely subjective nature which defies all attempts at absolute uniformity, so that transfer of administrative responsibility can effect no solution in this respect.

Central government has, of course, some contribution to make in the provision of general principles, setting-up of a technical appeal "court" and specifying a minimum standard of administration, but detailed execution is properly a local affair. Industry may be able successfully to organise inspection of its products at the point most convenient in its processes, but food is a perishable article of organic nature subject to manifold changes from producer to consumer. Inspection of meat, for example, immediately on slaughter is a vital but not final process in the system—it must still be possible to secure that contamination is eliminated and decomposition retarded, and to make such further inspections as may be necessary for those purposes. It is the object of any supervisory system to ensure that food is in a satisfactory condition at the point most nearly practicable to the consumer. It would surely be illogical to suggest a divorce of post-mortem inspections at time of slaughter from supervision during distribution, as does the N.V.M.A. Similarly the divorce between supervision of production and distribution of milk effected by Government policy is equally unjustifiable.

Supervision of the nation's food supply may not at first sight have appeared a topic of general administrative interest, but resolved into essentials its principal problems are not unique, viz., to ensure that an individualistic, almost personal, service shall be widely and instantly available at maximum intensity throughout the community, and that such a service shall function equitably, with reasonable uniformity and with the maintenance of public confidence. This essay has been an attempt to indicate difficulties, particularly in consequence of the war, and to suggest possible future progress, without undue emphasis on the technical problems of food inspection, and it is the author's hope thus to have been of use both to the specialist administrator and in the wider field.

The Prudential

The Administration of a Large Scale Undertaking

IN a back room in a house in Hatton Garden, London, early in 1848, a few men forgathered to discuss the formation of a company to advance money and to issue life assurance policies in connection with loans. The outcome was *The Prudential Mutual Assurance Investment and Loan Association*. Offices were taken in Chatham Place, Blackfriars, London.

As implied in the title, the main purpose of the newly-formed company, at its inception, was the granting of loans. Facilities for borrowing, in conjunction with what became known as ordinary life assurance, were to be offered to "The clergyman who requires an advance for the erection of a parsonage (and cannot comply with the terms offered by the Queen Anne's Bounty), the barrister who seeks to pay his entrance fees, the officer the price of his commission, or the tradesman the means to increase his working capital."

In 1855 the Directors of the Company made what proved to be a momentous decision: they determined to provide life assurance for weekly wage earners who up to that time could look only to burial clubs to provide for funeral expenses. Thus the company entered the field of what later became known as industrial assurance. This has been defined by statute as assurances on human life, the premiums to be paid at intervals of less than two months, and received by collectors.

The Company was not exempt from the ups and downs which wait upon all new enterprises. Gradually, however, difficulties were overcome, and in 1879, the office at Ludgate Hill being found insufficient to accommodate the growing staff, the Prudential removed to a new and comparatively large building erected for them at Holborn Bars. Further extensions were subsequently made, and some years ago the original office was rebuilt. The Chief Office of the Company now occupies an island site of some three acres. The title was changed several times, and, in 1866, the Company became known as the Prudential Assurance Company.

The Directors decided in 1876 that the holders of policies in the ordinary branch should receive, as bonus additions to their policies, a share of any surplus profits from that branch. Thirty years later it was decided to extend the profit-sharing scheme to holders of industrial policies.

In 1912 statutory powers were sought and obtained for the transaction of fire, accident, and kindred business. Before plans could be put into operation,

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however, the first World War had intervened, and it was not until 1919 that business was begun on a full scale. In the interim National Health Insurance had been introduced and supplementary sickness policies were issued in connection therewith. Also sinking fund business was undertaken.

Five years later still another momentous decision was made: to transact business abroad. The first venture was in India. Since then branches have been established in the Dominions, in South and East Africa, and in Egypt, and general agencies in many of the principal cities of the world. In addition, a subsidiary company underwrites fire re-insurance in the United States.

STATUTORY REQUIREMENTS

All insurance companies doing business in the United Kingdom must conform to the provisions of the Assurance Companies Act, 1909, as amended by the Act of 1929, which applies to life, fire, accident, employers' liability and bond investment business. Motor vehicle insurance, as a separate class, was later brought within its scope by the Road Traffic Act, 1930.

The 1909 Act requires deposits to be made with the Paymaster-General and separate funds maintained for particular classes of business. The Act prescribes the manner and form in which accounts and balance sheets must be prepared. An Actuarial Report, also in prescribed form, has to be deposited with the Board of Trade at least once every five years.

Special legislation affecting industrial assurance was first enacted in 1923 when what is known as the principal Act—The Industrial Assurance Act, 1923—was placed on the Statute Book. This Act was later supplemented by the Friendly Societies Act, 1924, the Industrial Assurance (Juvenile Societies) Act, 1926, the Industrial Assurance and Friendly Societies Act, 1929, and the Industrial Assurance and Friendly Societies Emergency (Protection from Forfeiture) Act, 1940.

THE 1923 ACT

Under the Act of 1923, an Industrial Assurance Commissioner was appointed. He has very wide powers. His sanction must be obtained before a company can carry on industrial assurance, and he has a say in the amalgamation of companies. He can inspect the affairs of a company, and—if he deems it advisable—present a petition to the Court for the winding up of a company. He hears and determines disputes between companies and policy-holders. He can reject any account, return, or balance sheet if, in his opinion, it is incomplete or incorrect, and can give such directions as he thinks necessary for its variation.

Companies are required to make valuations and to submit accounts and returns in an approved form, and the Commissioner has power to ask for such additional relevant information as comes within his province.

The statute requires that on the policy and in the premium receipt book shall be set out certain details for the information of the policy-holder, and that the proposal shall contain a specific declaration to be signed by the proposer. A policy cannot be lapsed without previous notice to the policy-holder. A statutory receipt must be given for a policy, or any other document issued in connection with it, taken away from the policy-holder. Conditions are laid down for the granting of free policies, or surrenders for cash, if the policy-holder is unable to maintain payments.

These are the main points to be borne in mind by those concerned with the business of insurance. And the list is by no means a complete one. Indeed there is a large volume of legislation which affects insurance, notably the Workmen's Compensation Acts and the Road Traffic Acts.

PUBLIC ADMINISTRATION

The organisation of the Company falls naturally into two main divisions—field and office—and it will be convenient to deal with the subject in this order.

FIELD ORGANISATION

Towards the end of 1854 policy forms and regulations for carrying on the business of industrial assurance were settled. At the same time the first appointments to the field staff were made, consisting of a number of agents and two superintendents.

In those early days an agent was free to canvass where he chose, and his canvassing and collecting took him over many miles of what was then "virgin soil." When, as sometimes happened, an agency became too large and widespread for one man to handle, it was usual for him to employ collectors. As lately as forty years ago, an agent at Fulham, London, employed six of these collectors.

THE "BLOCK" SYSTEM

About thirty years ago, another method, called the block system, was introduced. The idea originated in the recognition of the anomaly of a number of agents, each representing the same company, being engaged in collecting and canvassing in the same area, sometimes even in the same house.

Under the block system an agent has assigned to him a particular area, and he collects the premiums payable by all policy-holders living in that area. He is enabled thereby to collect, in a given time, three or four times the amount of premiums he could collect under the old system. This—and other administrative changes—has led to a remarkable reduction in expenses, with resulting benefit to policy-holders.

The extent of an agency depends on its situation. In large towns, notably in London, a block may consist of a section of a street, or even of a few buildings; in the country an agency may cover many square miles. The more restricted the area the larger, generally speaking, will be the number of calls an agent can make each week.

The agent has a register containing particulars of policy-holders in his area, which register he keeps up to date: policy-holders will come into the area, others will move away; particulars of new policy-holders will be entered and those who have ceased payment deleted. He has also a collecting book in which are recorded the premiums paid. This book is arranged in what is called "walking order," thus saving time in the making of calls. In other words he does not have to criss-cross over the area.

The agent's work consists of collecting premiums, in accounting, and canvassing. He pays his collections into a bank and renders accounts weekly of the premiums paid to him in connection with each of the three branches. He also collects National Health Insurance cards and pays benefits.

SUPERVISORY STAFF

As the business grew, and the number of agents increased, it became necessary to appoint more and more supervisors. First a superintendent was put in charge of a certain number of agencies covering a definite area, known as a district. Then this superintendency was sub-divided and assistant superintendents were appointed, likewise with defined areas.

The duties of the superintendent and the assistant superintendent are somewhat akin. The superintendent, or one of his assistants, advises the agent on

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the numerous problems which arise, assists him in canvassing and completing business, and periodically undertakes an audit of the agency. This audit involves the inspection of the receipt book held by each policy-holder, and a comparison of the record of premiums paid with the entries in the agent's collecting book.

A similar audit is made when an agent resigns, and is followed by the introduction of the new agent to the policy-holders. The new agent, of course, has to satisfy himself that the premiums due by policy-holders agree with the amounts shown in the new collecting book with which he has been supplied. He has also to be instructed not only in collecting and canvassing but in the keeping of his books.

Another duty which devolves on the supervisor is the verification of the number of Approved Societies' cards collected by the agent in connection with National Health Insurance, and their despatch to the offices of the Prudential Approved Societies.

The superintendent arranges holiday periods with his agents and makes plans for the conduct of the agency during the period of absence. Occasion may arise when an agency has become too large to be handled efficiently, in which event the superintendent will make recommendations for the formation of a new agency. This may involve the transfer of policy-holders from neighbouring agencies which have become somewhat overloaded.

Supervisors and agents are paid regular salaries and each year are given rises, in accordance with a definite scale, for progress in the industrial side of the business, consistent with sound administration. For securing new business in the Ordinary Branch, commission is paid; and in the General Branch the agent receives not only commission for introducing new business but a like commission for the collection of renewal premiums. An expense allowance, varying in amount, is made to every member of the field staff. In addition, the company pay, on behalf of the Approved Societies, for work in connection with National Health Insurance.

GEOGRAPHICAL DIVISIONS

At an early date the country was divided into geographical divisions, comprising a certain number of districts. The divisions now number fourteen and are designated by letters of the alphabet. They do not conform strictly to county or even to country boundaries. Thus the A Division comprises the major part of Scotland; the B Division the south-east part of Scotland and the north-east counties of England. The E Division takes in the whole of Wales and the Border Counties.

The idea behind the demarcation is: equality of opportunity. The basis, so far as may be, is population. Adjustments and changes to this end have been made from time to time. For instance, about thirty-five years ago the L Division comprised London within the four-mile radius. The K Division was ringed round the L. But the population of London proper was diminishing year by year, and that of the surrounding localities increasing. The difficulty was solved: London and parts of the Home Counties were divided into two, from north to south, the eastern section being allocated to the K and the western to the L Division.

In each division is a divisional inspector, a title peculiar, in its scope, to the Prudential. His duties comprehend general supervision of the field staff. He holds the highest rank in the field staff. The divisional inspector has under his jurisdiction about 200 supervisors and 1,000 agents. He plans the work of his staff with a view to achieving maximum development and efficiency of

PUBLIC ADMINISTRATION

service to the public. Many problems arise which call for knowledge of men and affairs. The inspector must be a good judge of men, firm and yet tactful in the settlement of problems which must inevitably arise from time to time. He travels continuously throughout the division and submits to the management plans for the adjustment of district boundaries as and when required, and recommendations for promotions to higher ranks. He interviews candidates for agencies and, if approved, nominates them for appointment. Above all he is the liaison between the field staff and the management.

The divisional inspector is paid a salary, and each year is awarded a rise in accordance with the success of his administration and the development of the business in his area. All members of the field staff participate in a profit-sharing scheme. They thus have an inducement to contribute by efficient administration towards a reduction of expenses and expansion of the business.

The selection and training of staff to fill vacancies are of vital importance in the Prudential organisation. A superintendent, foreseeing a possible vacancy, will keep his eyes open for a promising candidate. Those engaged in the distributive trades, who have given evidence of a flair for salesmanship, are the most suitable candidates. In some instances a young man, pending a vacancy, is given a period of training during which he assists the superintendent in clerical work, collects premiums during periods of holiday or sickness, and becomes familiar with the routine of an agent's work. If he gives evidence of aptitude, he is appointed to an agency when a vacancy arises. Prior to the war an agency training school was conducted at chief office. In this "school" some of the intricacies of the business were made clear to the trainees; when at length they took up agency work they had at least a foundation on which to build.

Representatives of the field staff have periodic conferences with the management, and at these conferences the many aspects of the field man's work are discussed.

DISTRICT OFFICE ORGANISATION

A division, on the average, comprises fifty or more districts, covering, in most instances, thousands of square miles. Each district office serves the surrounding superintendency districts, and much of the work previously done at the chief office has been transferred thereto. Especially important have been the prompt settlement of claims and the dealing with the numerous enquiries in connection with National Health Insurance.

Registers containing records of all industrial policies in a district are kept at the district office, changes authorised by the chief office being made week by week. The agency staff concerned are advised of these "movements" in order that they may keep their registers and collecting books up to date. To ensure accuracy, agents' registers are checked with the district office register at half-yearly intervals. Details of agents' progress are collated weekly, and returns, summarised in districts, are sent to chief office.

A banking account is maintained by the district office and is drawn on for the payment of claims, advances to superintendents, and office expenses. Reimbursement is made by chief office. The agency staff pay in at their local bank, to the credit of the district office banking account, premiums collected in negotiable cash and hand in, or post, their agency accounts, together with non-negotiable cash, to the district office. This non-negotiable cash consists of cheques, and receipts for sickness benefits paid from the agent's collections to members of the Prudential Approved Societies. A remittance covering the cash transactions is made daily to chief office by means of a cheque or bank transfer. Also is sent a weekly district summary of premiums collected by

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agents in each branch (industrial, ordinary and general), and relative charges. These summaries are compiled from the agents' accounts. Payments of premiums may be made by policy-holders at district offices in connection with any of the three branches.

Industrial branch claims submitted by the field staff are examined and, provided the claim is in order, the amount due is paid. In the event of death, if for some reason full payment cannot be made, such part of the money as is required urgently for funeral expenses is advanced.

CHIEF OFFICE ORGANISATION

The magnitude of the chief office organisation will be appreciated when it is said that there are more than thirty million Prudential policies on the books, the income of the Company exceeds one million pounds a week, and the funds held in trust for the policy-holders run to well over four hundred million pounds.

Within the last decade or so much of the clerical work has been "mechanised." The basis of this mechanisation is the "punched card." On these cards are recorded, by means of circular holes, a variety of information, which later is translated into words and figures. Three types of machine are regularly in use: the punch, the sorter, and the tabulator. The punched cards are passed through the sorting machine and are arranged, at high speed, into any order required: policy numbers, dates of policies, premiums, etc. The cards, now in the desired order, are passed through the tabulating machine which prints, in list form, whatever information is required. Columns which contain pounds, shillings and pence are automatically added, and the totals printed at the foot of each list. Over thirty million cards are stored, containing particulars of the industrial policies, and more than 200 machines are utilised to record details of the Company's business. Every week 170,000 "movements" of policies are dealt with. Also a vast mass of statistical information is supplied relating to staff pensions, the Company's properties, and so on. There is scarcely a department which does not depend on these machines, and, during the war (with its resultant call-up of about 12,000 trained members of the staff), only by their use has it been possible to cope with the work to be done without affecting adversely service to policy-holders.

Every morning at 7.30 a.m. mail vans arrive containing about 120 sacks of letters. The communications are mostly from the Company's representatives, and, being in distinctive envelopes showing the divisional letter, are readily sorted into divisions before the envelopes are opened. The incoming post consists of a varied assortment: proposals for insurance, "claim" forms, documents, and, of course, a large volume of correspondence. Throughout the day letters and forms for despatch are collected from the numerous departments. Sorting is done by hand but is facilitated by means of the Sortergraf apparatus. An envelope, with printed address, is provided for members of the field staff. All the outgoing mail is handed in to a private posting room under the control of the G.P.O., which sends two of its representatives for duty each day. The final mail van leaves at 5.30 p.m. and catches the usual night mail.

INDUSTRIAL BRANCH

In the post, proposals for life assurance in the industrial branch bulk large in number. These proposals find their way to what is known as the "Industrial Branch Policy Department." After examination and "selection" policies are prepared on a special typing machine and are in due course sent to the field staff for delivery. About 40,000 new policies are normally issued each week.

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After one year's premiums have been paid, if payments are discontinued, the policy automatically becomes a "Free Paid-up Policy" for a reduced sum. This reduced sum has to be ascertained, and a statement prepared for subsequent attachment to the policy. The Free Policy values are mechanically recorded by means of an ingenious combination of "punched" cards.

The vast majority of industrial claims are paid at the district offices. The claim papers relating to these payments are sent to the chief office for checking, and reimbursement of the district office is made daily.

ORDINARY BRANCH

Proposals for ordinary life assurance are passed to the "Ordinary Branch Policy Department," and are subject to examination and selection as in the industrial branch. The majority of cases will be accepted without further enquiry and the "acceptance" sent to the field representative for delivery. When medical reports are received fees must be remitted or credited to the medical referee concerned.

After the first premium has been received, the necessary particulars are typed on a policy form, and also on register sheets, in triplicate. One sheet forms the policy register, another is passed to the Ordinary Branch Accounts Section, and, in war-time, the third to a record office situated in a "safe" area. The policies are sealed and sent to Somerset House for stamping, and upon return they go to the field staff for delivery to the assured. During the currency of a policy much may happen. The holder may want a loan, he may wish to surrender his policy for cash, he may want to take cash for accumulated bonuses, he may decide to cease payment and take a paid-up policy for a reduced sum. All applications of the sort are handled by this department.

The accounts section deals with renewal payments, which number about two millions a year, and records the payment of premiums from accounts sent in by agents through the district office. The renewal notice and the receipt are printed on one form, with a central perforation, and are issued to the field staff in plenty of time for application for payment on or before the date due. A renewal register is printed and sent to the superintendent, and from this he is able to check up with collections and remittance of premiums by the agents under his charge. The superintendent subsequently sends his copy of the district register for reconciliation with that at the chief office.

All claim payments under ordinary policies are made direct from the chief office. If the claim is one arising from death, the necessary calculation is made of the amount due and, subject to evidence of death, the claim is admitted and the next-of-kin notified. Upon legal proof of title a cheque in settlement is sent.

In practically every case of endowment assurance the money under the policy becomes payable on the first day of a month. Well in advance of the due date claim papers are prepared and despatched to the local superintendent. He is thus able to secure in good time the completion of the forms, and to obtain any deeds or documents which may be relevant. If a policy-holder decides to discontinue premium payments and is entitled to a surrender value he will be notified of the amount, and if acceptable, and again subject to proof of title, the sum due will be promptly paid. Alternatively he may accept a free policy for a reduced amount.

The ordinary branch deals also with annuities. When an annuity is purchased, the annuitant can, if he wishes, fill in a form stating his income from all sources. This form is then passed to the Inland Revenue for verification,

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and the appropriate tax is subsequently deducted from the half-yearly payments. Each year a return of annuity payments has to be made to H.M. Inspector of Taxes.

GENERAL BRANCH

During the first few years following the entry of the Company into the field of general business, the administration and clerical work of the branch were linked with the various life departments at chief office. But in the early 'twenties it was decided to form a centralised general branch department. It was also decided that it would make for efficiency in dealing with proposals and the settlement of claims if the work was decentralised. That is the system which obtains to-day.

In each division there is a controller who is responsible for dealing with the general business introduced by the field staff in his area. He also establishes relations with insurance brokers. Working directly under the Controller are specially selected men known as general branch representatives. These representatives are interested primarily in influencing new business and in opening up new connections. But their duties also include the education of the field staff in the many complexities of general insurance; and, where required, personal service to policy-holders. At the controller's office the accounts of agents are examined, proposals considered, policies issued, and claims settled. This last calls for expert knowledge of claims assessment. Controllers and general branch representatives are paid salaries and receive rises based to some extent on increase in premium income.

DIVISIONAL MANAGEMENT

In charge of each division is a divisional manager, normally located at chief office. He is responsible for the administration and progress of all branches of the business in the areas assigned to him. Individual records are kept of members of the field staff, and payments to them are authorised by the clerical staff of the divisional manager at chief office. Also are compiled figures on which rises in salary are awarded. The divisional manager approves the appointment of agents and recommendations for promotions. He makes frequent visits to the field to acquaint himself with local conditions and to gain more intimate knowledge of the staff.

BUSINESS OVERSEAS

When the Company embarked on business overseas it became necessary to form a separate department at chief office to organise administration and to arrange for extensions. The general business is controlled as a separate entity at chief office where powers of attorney and agreements for agents overseas are drawn up. Control is also exercised over the underwriting, and the lines on which agencies are to be conducted. The great majority of the overseas territories in which the Company operates come under the jurisdiction of one or other of the insurance associations of which the Prudential is a member. It is the duty of the chief office to see that its agents conform to the regulations laid down, and also to act in conformity with local laws. The department concerned with life assurance business overseas scrutinises the branch accounts. It deals also with any unusual proposal for assurance. It supervises the numerical strength and efficiency of the several staffs, based on reports from the branch managers.

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PREMIUM CALCULATIONS AND STATISTICS

An actuarial staff deals with all questions relating to premium rates on life business, and on overseas legislation. This staff prepares statistical records, and statutory returns in accordance with local laws; it also compiles the overseas figures for incorporation in the Company's accounts.

A much bigger staff is engaged in the multifarious actuarial tasks relating to the United Kingdom business. They undertake the intricate calculations of determining the Company's liabilities under the thirty million existing life policies. By comparison with the insurance fund in each branch, is determined the surplus which, as earlier intimated, goes in part to add to the sums assured under the policies. Then there are the calculations of payments to be authorised if policies are surrendered for cash. The actuaries are occasionally required to work out premiums for assurances which are not within the scope of the prospectus. The actuarial staff prepare pension schemes and estimates of costs for firms interested. Negotiations follow, and when a scheme has been agreed, explanatory booklets are issued to the staffs concerned, and subsequently staff meetings are arranged at which enquiries can be answered. Then comes the preparation of trust deeds and rules which are drawn up in conjunction with the Company's solicitors.

£420,000,000 INVESTMENTS

When a company has an income and invested funds of the magnitude of those of the Prudential the task of watching over and making investments becomes a weighty one. This task is one of the many which devolve on the Secretary's Office. The department keeps in close touch with the Stock Exchange and the stock and share markets, both at home and abroad, and submits proposals for new investments and re-investment whereby the Company's income may be improved or the value of its securities enhanced. The securities section arranges for the purchase and sales, and records all movements in bonds and securities. From time to time investments are made overseas to provide branch assets. The collection of the income arising from the Company's many investments calls for knowledge of various currencies and of banking practices and, most important, acquaintance with the rates and system of taxation in countries abroad.

The Company's many investments in real property are under the control of the Estate Department. The management of these properties requires specialised knowledge, and calls for acquaintance not only with values and building construction but also with the law relating to landlord and tenant, public health and building, factory, shop and housing legislation, rating, taxation, town planning, compulsory acquisition, etc.

A SELF-CONTAINED COMMUNITY

The Prudential is virtually a self-contained community, employing members of almost every trade and profession. Perhaps the most varied in "arts and crafts" are those which come under the heading of "Stores and Works" Department. A mere list of their callings gives an indication of the scope of their work. Apart from clerical staff—not a few of whom hold certificates in such trades as printing and paper-making—there are electricians and painters, caterers and cooks, printers and bookbinders, typewriter and office machinery mechanics, carpenters and glaziers, engineers and photographers. The department buys and distributes vast quantities of printed forms, books and stationery, not only for the Company but also for the approved societies. A considerable amount of printing is done on the chief office premises.

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The organisation of the Company includes a Publicity Department which, as its name implies, is responsible for the preparation of advertisements and the booking of space in the Press. The department also compiles a monthly journal, *The Prudential Bulletin*, for the instruction and information of the clerical and field staffs. In normal times there is also issued each year an *Overseas Bulletin*, profusely illustrated, containing contributions from Prudential representatives abroad and detailing the work and conditions in the several countries.

COSTING

In accordance with statutory requirements, the expenses of a composite insurance company must be separated into branches, so that no part of any fund is applied directly or indirectly for any purposes other than those of the class of business to which the fund is applicable. This necessitates a scrutiny of every item of expense passing through the Company's books and, having regard to the vast size of the business, the magnitude of the work of analysing can be appreciated. The figures resulting from the calculations made provide part of the necessary data for the completion of the Board of Trade Accounts and Returns.

PENSION SCHEMES

On the principle that example is better than precept the Prudential has arranged pension schemes for its staffs. Actually there are four schemes which have been devised to meet particular needs. The total active membership (indoor, field and overseas) numbers 19,500, and pensions are paid to 11,000 former employees.

The clerical staff of the Company, at home and abroad, normally numbers about 4,900 including 2,200 ladies. In addition some 1,400, nearly all ladies, are employed at the head office of the Prudential Approved Societies. Almost without exception the staff is recruited from the youth of both sexes. Boys are selected from secondary or public schools and must have attained matriculation standard. Rises in salary are awarded each year in accordance with competence, encouragement is given to the acquisition of specialised knowledge, and success is recognised by financial rewards.

The war has occasioned, for the time being, adjustments in the Prudential organisation. At the outbreak of hostilities it was decided to transfer chief office administration, in part, to centres throughout the country. Important documents and records have been "photostated" and the copies deposited in a "safe" area; other duplicate records have been decentralised.

The enlistment, or transfer to national service, of about three-quarters of the staff called for the employment of temporary staff, many of whom had little or no knowledge of the business. The work of training these "temporaries," a large percentage of whom are women, has imposed an additional burden on the permanent staff remaining. Evacuation, compulsory and otherwise, has resulted in innumerable transfers of the collecting of premiums from one agent to another. The holders of more than 2,500,000 policies changed their addresses in a single year.

Some economy in labour has resulted from the decision to dispense with specialists whose previous function had been mainly to canvass for new business. These men, apart from those who have enlisted, are now engaged in supervisory work.

Like most other insurance offices the Company acted as agent for the Government for the several classes of war damage insurance. It continues to participate in numerous arrangements for the insurance of goods, property, and personnel under national control.

The Prudential organisation remained unimpaired through the last war and has continued to operate efficiently during the even more strenuous times through which we are passing.

The Administration of a Local Friendly Society¹

By AUSTEN SPEARING

THE Society aims to give first place to the interests of the individual member considered as a separate and unique personality. The aggregate membership, that is the Society as a whole, comes a close second. Some way behind—a bad third—is the factor of administrative convenience. There is no profit motive.

The Parent Society was founded as a simple piece of social service of the local community, and in due course obtained the privileges and accepted the obligations flowing from registration under the Friendly Societies Act. In 1911 approval was secured for a separate section for National Health Insurance, and in 1920 there was set up a Thrift Society which is now affiliated to the National Savings Movement. Substantial identity of membership has led to the election of the same committee and officers for the three societies. The membership in 1944 was 13,295, 11,500 and 4,782 respectively.

Method of Paying Benefit

Those households which stand in the greatest need at the time when the breadwinner is unfit to win his bread require cash at the time when the wage packet is wont to be handled. To facilitate week-end shopping, therefore, the Society pays benefit up to and including Thursday in each week. The member (or a relation or neighbour or friend) is at liberty to call at the office and sign for the cash on Thursday. In cases where this is not done (comprising 49.1 per cent. in 1938) a special cheque is posted in time for country post on the Friday. Many members use the cheque for payment to tradesmen or landlords' agents; for some years before the war not a single request was made for an alternative method. During the war, on account of evacuation to strange localities, less than half a dozen requests have been received and, of course, satisfied. Cheques have never been marked "Not negotiable," as this discourages their encashment by friendly tradesmen. No loss has been incurred for this reason. If an original miscarries a substitute is issued immediately. If identity is established there is latitude about the precise endorsement.

Though paying benefit up to a particular day of the week the Society has never asked for the normal medical certification arrangements to be varied. Clearly, the particular day or days of the week upon which an insured person

¹To avoid making statements which cannot be verified, this article deals with a particular Friendly Society with its associated Approved Society and Thrift Society. Many characteristic features are probably found in similar organisations in other localities.

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is to see his doctor should be determined solely by medical considerations. In cases to which weekly certificates are appropriate, benefit is paid up to the Thursday if a medical certificate is received for that day or any of the previous six days. Where there is obvious incapacity discretion is exercised beyond these limits. At one time the responsible Central Department challenged the practice of a certain Society in deliberately paying beyond the date of a medical certificate. Following representations from the Association of Approved Societies, to which was affiliated both the society challenged and that now under notice, the Department agreed that no future exception would be taken to the practice under examination in the case of any Society that was able to show that there had been no loss to the Benefit Fund and that the supervision of benefit claims was sufficiently comprehensive to justify the theoretical risk being taken in the interest of an improved service to insured persons. The point was regarded by the societies themselves as being a principle of major importance; it went to the root of the special relationship of mutual good faith which had grown up over a period of years between the individual members on the one hand and the society's officers on the other. The continuation of the practice, without further challenge, is sufficient testimony to this relationship.

In those cases where an individual is a member of the Friendly Society as well as the Approved Society the same medical certificate and other forms apply to both societies, and, if the cheque is used, it is a single cheque for the combined amount.

Welfare Work

Welfare visitors are employed "(a) to ensure that all possible assistance towards recovery is being provided, (b) to have a short cheerful chat as a friend, and (c) to see that the member concerned is not imposing—innocently or otherwise—on the funds which belong to all the members."

A Welfare Sub-committee meets monthly and, in addition to dealing with all applications for Additional Benefit No. 5 (want or distress)—including those initiated by a welfare visitor—considers all aspects of the cases of selected members.

The present Sub-committee comprises a Congregational minister, a timber merchant, a superintendent of public markets, and a retired local government official. In company with the Secretary they take a close personal interest in the cases and render advice and help in a variety of ways.

In considering, for example, agreements for lump sums in lieu of Workmen's Compensation payment, the Society looks beyond the effect on its own Benefit Fund. The Society supported a famous Brighton Society and others in representing to the Royal Commission on Workmen's Compensation that lump sums should be abolished. In most cases the Society is, with the help of experienced solicitors, advising the member at every stage of negotiations. It so happens that in the only two cases in the last twelve months where members had come to a settlement without the previous consent of the Society, it successfully objected to the registration of the agreement, although each member had been advised by a firm of solicitors. Both the Registrar and the Judge upheld the Society's objections. In one case a proposed settlement of £100 was raised to £200, and in the other case a proposed settlement at £200 was only permitted at £400.

In other cases, whether at Common Law or otherwise, where the Society considers litigation is justified it gives indemnity to the member both for his own solicitors and any costs that may be awarded against him, always provided there is no refusal of a reasonably adequate offer. Authority for litigation has included juveniles and members of pensionable age where no question of sickness or disablement arises.

In viewing benefit cases generally the Society conceived it to be just as much its duty to see that benefit is paid where needed even if it is not claimed as to withhold payment where it is not justly merited.

Numerous illustrations could be given of the administration of additional benefit No. 5 (grants in cases of want or distress). Two must suffice, as illustrating the two extremes in financial effect on the Benefit Fund. In one case a lad of sixteen after two days' employment fell ill and was shortly afterwards certified as insane. The parents were unwilling themselves to pay qualifying contributions, but the Society arranged for them to sign the necessary document and, in due course, met the cost of qualifying contributions out of A.B. 5, so that in the long period of years which has since elapsed provision for extra comforts could be made arising from the genuine contract of insurance on which one stamp only was paid. The other illustration is of a young man who became quite incapable of work from May, 1935, on account of infantile paralysis and whose case was given up as hopeless under the best medical advice. During the war, however, the clamant need for clerical help in a local munition factory enabled him to secure clerical employment notwithstanding that he was literally and physically immobile. The Society, from A.B. 5, contributed substantially to a motor chair which enabled him to follow that employment. The fact that the grant has been more than offset by benefit saving is, relatively, incidental to the great satisfaction to his own mind in contributing to his country's war effort.

Method of Receiving Contributions

At this point it may be well to notice an aspect of the work which affects the private side (that is the Friendly Society and the Thrift Society) exclusively, because, in its historical setting, it shows the way in which the personal relationship has been built up.

There are no agents or collectors and the Society pays no remuneration of any kind for the introduction of new business or the gathering in of contributions. Members join the Society on the footing that they, or their friends, will bring the contributions to the Hall, which is open for the purpose each Monday from 10 a.m. to 7 p.m. Alternatively, members may at any time send contributions by post—enclosing stamped addressed envelope for the return of the card. Even under conditions of evacuation the postal method is only used by a small minority. The contributions are on a weekly basis. Few are brought each week, most are brought every few weeks, some once a quarter. The contribution card, renewed annually, is of the simplest kind and shows the cash in figures and also a simple marking of the total weeks paid in the contribution year. Each week is numbered (from 1 to 50), and where, as is mostly the case, the cash payment clears the card to the date on which it is received a tick is placed against the week number. (All cash is marked for the week on which it was received.) If the card is behind, or in advance, the actual total weeks paid for the year is shown opposite the cash entry—thus signalling its abnormality. On the next visit it is only necessary to deduct the last total weeks marking from the current total weeks marking to observe the number of weeks due. Agreement with the ledger is obtained at every posting even though the member remains in possession of the contribution card.

At the annual share-out—when more than £60,000 is distributed in one day—the member merely surrenders the old contribution card and receives, in exchange, a packet containing the cash share-out and the new contribution card. The packets are not transparent. The readiness with which the large majority of packets are taken away unopened springs, of course, from the sense of mutual good faith.

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In pursuance of the policy of personal service it is a practice of the Secretary to occupy a table in a public position near the door so that, on this one day of the week, members have ample opportunity of discussing with him matters which concern them whether of the private side, or State Insurance, or otherwise. Being empowered by the Welfare Sub-committee, with the assent of the Committee, to exercise a wide discretion in matters that will not admit of delay, he is in a unique position to give "personal service" its expression in the most highly developed and realistic form, that is with the complete elimination of intermediaries human and mechanical. Even in those technicalities which could be explained by a competent clerk, or even a well-trained agent, it is observable that some insured persons are only completely satisfied after they themselves have been able to state a case to the person who makes the decision. This phenomena of the working-class mind may be unreasoning but it exists, and, as has been noted, the Society makes provision for dealing with it.

In addition to Mondays any member can have an interview without appointment on other days, and this fact, coupled with the service rendered in the Enquiry Office, explains the absence of recourse to the Central Department or other quarters. In recent years only one case arose of a member communicating with a Government Department about his benefit, and in that case the member also complained to the Society that he had been unable to obtain recovery of substantial sums he had paid to the Central Department.

Arrangement of the Enquiry Office

The Enquiry Office counter consists of a complete alphabetical index (with upwards of 40,000 cards) of present and past members, so that callers without membership numbers can be dealt with readily. A Government Inspector who called by chance on behalf of a local widow who had no information about the insurance of her husband who had died twenty years previously was furnished, within five minutes, with all information which enabled a pension subsequently to be awarded.

The enquiry office clerks deal also with benefit claims. Dockets for all current claims, arranged in alphabetical sequence of surnames, are actually kept on the counters where members are interviewed. They are arranged in three sections (corresponding to the three sections of the alphabetical index) A-F, G-O, P-Z.

The claim docket (which is, in fact, an envelope size $8\frac{1}{2}$ in. by $5\frac{1}{2}$ in. and specially printed with the details required) bears on the face the record of each document of medical evidence showing clearly if diagnosis changes. Ordinary medical certificates are filed in this docket, but any producing unusual features are attached to the papers which are contained in a permanent jacket registered under the membership number. These jackets are filed by registry in a room adjacent to the enquiry office. The whereabouts of each jacket being registered on a central card it can be produced immediately for attention to the caller in person or by telephone. Incoming correspondence—unless of a limited class such as a mere notice of change of address—is attached to the jacket before attention so that a case is always treated as a whole in the light of all the circumstances. A proper bring-forward system ensures the efficient following-up of outstanding matters.

A caller would normally go to one of the three clerks on duty (according to the first letter of the surname of the member concerned) and would never be referred elsewhere (unless taken to a room for private interview). The same clerk receives the claim and deals with subsequent calls. A small form of receipt is prepared for each claim before each Thursday and, in normal times,

checked independently. The caller is offered that receipt, signs it and receives cash from the same clerk. The staff who work in the enquiry office keep ever in mind the fact that they are only there while they are really fit to do their work. They are dealing, on the other hand, with many fellow-members who are unfit to work, and therefore, less able to look after their own affairs. With the acceptance of this reason for a high degree of courtesy and forbearance there grows up on both sides of the counter not only a knowledge of names but an atmosphere of deep-laid goodwill and understanding.

A good illustration of this relationship is found in the method of dealing with claims on the private side arising from the death of a member. It can safely be said that the only formalities are the production of evidence of death and the signature on a simple claim form. Although every member is provided on admission with a certificate of membership (which is of the character of a policy of insurance) production of this is not required when a claim is made. The sole test is that of identity, and the Society has ample means of satisfying itself in this respect. In the larger proportion of cases the person who calls is known by one of the members of the staff. All are very well aware of the atmosphere which pervades any household bereaved, and everything is done to minimise trouble at this time. In the majority of cases the next of kin calls, as a matter of course, bringing just the death certificate. The form of claim is at once completed and signed, and, at the same visit, the benefit is paid across the counter in cash within two or three minutes. If, of course, the claimant requires the benefit taken in some other way, this is arranged, but experience shows that following death—often on the same day—the person concerned, who must of necessity call personally upon the Registrar, prefers to make a number of necessary business calls and includes among these visits the Society's office at which, it is known, one of the death certificates can, in effect, be cashed.

It will be seen that the enquiry clerk interviewing callers has within arm's length the alphabetical index and the benefit dockets, and can be furnished, within a few moments, with the file of correspondence and the membership record. Thus is assembled at one point the whole of the information in the Society's possession. The smoothness and celerity of the whole organisation is facilitated by a telephone system which combines exchange and internal facilities on one instrument and, on that instrument, provides direct switching and holding keys for exchange and internal calls.

Scheme of Membership Records

Adjacent to the enquiry office is the membership room, containing, on two sides of a single sheet of foolscap, all permanent records of each membership. The Approved Society sheet is an authorised alternative to the official form of Membership Register, Contribution Register, and Sickness and Disablement records. It also contains the member's address. For each member an Adrema metal plate is prepared showing the membership number, surname, Mr., Mrs. or Miss, christian names, address, date of birth and date of entry into insurance. When insurance cards are issued the two dates are omitted. A full plate impression is used for heading the Membership Register sheet, for preparing a card for the alphabetical index and (throughout the war period) of maintaining an index of duplicate information at an emergency address.

The Membership Register sheets are in strict numerical sequence and are not extracted on cessation. The Adrema plates are stored in groups according to a special list of classifications which takes into account, not only the official classes but a subdivision of each group of women according to married women, spinsters and widows, and a sub-division of recent cessations according to mode

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of cessation. Within each classification the plates are maintained in membership number sequence, except those for juveniles which are in date of birth sequence for convenience of establishment to full insurance at age sixteen. The group for old-age pensioners is, of course, kept up to date with the other groups as they are entitled to all notices issued from time to time. The address plate system made it convenient to post a notice to each member convening a special general meeting to consider the White Paper on Social Insurance.

Unlike standard forms of registers the Membership Register Sheet displays biographical information in chronological sequence by providing columns for classification, date change effective, and date entry or exit card issued to the Central Department. The Register sheets are kept in binders of 500 membership numbers each. Any binder, while having its permanent place in a rack compartment designed for the purpose, can be borrowed for use in the enquiry office to show any member his official record.

National Health and Pensions Insurance contribution cards, after being posted to the credit of the individual members, are scheduled for return to the Ministry of Health. They are divided between fully-stamped cards and the others. The former are scheduled by reference to membership number only while the latter are recorded under membership number with numbers of stamps, franks, etc., by the use of an electric listing machine.

The dispersal during the war period of the actual schedules (together with weekly schedules of benefit payments) made complete the material upon which the whole of the records could be reconstructed if the office had been destroyed by enemy action.

Conclusion

Although transfers of engagement have been accepted from several quite small societies the Society has refrained from opening branches or doing anything to impair the essential unity and completeness of the organisation at its original location by Hammersmith Broadway. It is considered that the standard of service thus made available to every individual member is higher than if there were geographical subdivisions showing greater aggregate numerical or financial strength. The Society claims still to be small enough to exhibit the personal touch wherever appropriate, and yet is large enough to organise on modern lines and to possess all necessary equipment such as dictating machines, electrical embossing machine, etc. On the other hand, the absence of that degree of service to members who move away is frankly admitted, although this is partly met by a valuable sickness visitation scheme of the Association of Approved Societies and by direct help of another local society in a particular case.

This article is not written as part of an argument for the continuation of the Approved Society system as a whole, but is presented as a statement of verifiable facts.

The spirit of friendly co-operation prompts indigenous bodies of various kinds in different places. In the present instance the Society makes acknowledgment to the Church from which it drew its name and from which it draws its inspiration.

The Regulation of Wages and Conditions of Employment of Local Authority Employees

By J. A. BYWATER, F.C.I.S.

(Executive Officer, Industrial Conditions Department, Leeds)

THE text of the Wages Councils Bill¹ has now been issued, and its important provisions will, if adopted, have far-reaching effects. The Bill provides machinery covering all workers and for the setting up of Wages Councils with power to recommend the fixing of minimum remuneration. It is claimed that the Bill, if adopted, will contribute much to the steadiness and stability necessary in the transfer from war to peace. Every worker will have the chance of being covered by a voluntary agreement, by a Wages Council, or by some other form of wages machinery, and one of the outstanding features of the Bill is the desire to maintain the voluntary negotiating machinery—that integral part of our industrial system which covers about ten million workers.

As local authorities will be affected by the new Bill it is considered opportune to outline, firstly, some of the unsatisfactory methods by which local authorities at present regulate the wages and conditions of employment of their workpeople, and, secondly, to propose a scheme that will—within the scope of existing agreements and the provisions of the new Wages Councils Bill—enable local authorities to regulate the wages and conditions of employment of their workpeople with far less effort than they do at present and with greater satisfaction to all concerned.

Prior to the outbreak of war there were a number of local authorities in all provinces which did not recognise the joint voluntary machinery established by the Public Utility and Non-Trading Services Joint Industrial Councils. These authorities had refused repeatedly to become members of the joint industrial councils despite the fact that collective bargaining between employers and workpeople has long ago been recognised in this country—because of our national character—as the method best adapted in the settlement of wages and conditions of employment. But when war came these recalcitrant authorities soon found that they could not be scheduled by the Ministry of Labour and National Service under the Essential Work Order until they had given full recognition to the prescribed recommendations relating to wages and conditions of employment of the joint industrial councils and the various trade agreements affecting the workpeople whom the local authorities concerned wished to retain in their service during the war period.

It follows, therefore, that the war, and the provisions of the Essential Work Order, have been responsible for a considerable extension of the joint voluntary wages machinery, and this extension has been further supplemented by the compulsory provisions of the Conditions of Employment and National Arbitration Order. When the Essential Work Order is revoked by the Government and the great boom in trade begins local authorities may find themselves competing for labour on a scale hitherto unknown. Workpeople will be attracted to the industries paying higher rates of wages, and municipal employment will not have the

¹ With minor modifications the Bill became an Act of Parliament on 20th March, 1945.

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appeal it possessed before the war by reason of its security of tenure, its superannuation scheme, its holiday-with-pay, and its payment of wages during sickness. Apart from the new Wages Councils, the new National Insurance Scheme will very materially modify these attractions, and local authorities should, therefore, lose no time in establishing sound machinery to regulate the wages and conditions of employment of their workpeople engaged in such a great variety of occupations.

PRESENT METHODS OF REGULATING WAGES AND CONDITIONS OF SERVICE

Before proceeding to outline a practical scheme for the regulation of wages and conditions of employment of municipal workpeople it is necessary to describe briefly the varying methods at present employed by local authorities.

Firstly, most progressive local authorities have agreed to apply some, if not all, of the recommendations of the joint industrial councils which prescribe minimum rates of wages and conditions of employment of certain classified workpeople employed in the non-trading services and the gas, the water, the electricity, and the passenger transport industries.

Secondly, most local authorities have agreed to apply the many trade agreements which prescribe rates of wages and conditions of employment for craftsmen and craftsmen's labourers in all departments, and these would include—to mention just a few—the building trade (all branches), electrical contracting, engineering, farriers and blacksmiths, furnishing and allied trades.

Thirdly, there are other wages and conditions of employment agreements such as the Agricultural Wages Board, the "Hetherington" Committee's recommendations adopted by the Ministry of Labour and National Service for domestic staffs employed in hospitals and institutions, the Road Haulage Wages Board (applicable to passenger transport undertakings with a "parcel delivery" section) and certain trade boards (to be renamed wages councils) such as brush and broom, tailoring, laundries, and many others which may, or may not, be applied by the local authority.

Fourthly, there comes the regulation of the wages and conditions of employment of workpeople *not* catered for by outside bodies. These classes, best described as "miscellaneous classes," are to be found in all departments whether trading or non-trading, but chiefly in the latter. They present a problem to every large authority, and the method generally adopted is to fix rates locally and review them from time to time when variations in rates of wages have been operated in respect of the workpeople governed by the recommendations and agreements of outside bodies. This method is to be deplored as it involves much waste of time quite apart from the irritation and discontent that prevails amongst the "miscellaneous classes" pending consideration of an adjustment in their wages, during which time they begin to pen applications for increases in wages on the grounds that such-and-such a class has had an increase. In the scheme to be outlined it will be shown how variations in wages of these "miscellaneous classes" may become automatic.

The outstanding fact about the method of regulating municipal wages and conditions of employment is that a large local authority is not like a large firm confining its activities to just one industry. Local authorities have many industries (e.g., gas, water, electricity, passenger transport, etc.), and full regard must be had to the vast and complex wages machinery that has been established.

Some local authorities have one committee for regulating the salaries of its officers and another committee for regulating the wages of workpeople. Other authorities have an Establishment Committee which performs both functions, but seldom well. Again, some authorities have a Salaries Committee, and they leave every other employing committee to fix its own wages subject

to confirmation of the Council. Two separate committees are to be recommended, one to regulate the salaries and conditions of employment of officers, and the other to regulate the wages and conditions of employment of workpeople provided that complete co-ordination is established between the two committees. This co-ordination would be possible if the executive officer of the Salaries Committee attended the Wages Committee and vice versa whenever borderline cases were to be discussed, or whenever questions of principle were to be considered; in fact they should be automatically invited to all meetings to perfect their liaison work.

One important weakness in the regulation of municipal wages is the common practice of appointing as the executive officer of the Wages Committee either the Town Clerk or the City Treasurer. Without disrespect to these officers one may say that the task of regulating wages is outside their field of experience. Moreover, they have not usually the necessary time to devote to such a complex and specialised business. Because of this the regulation of municipal workpeople's wages is often found to be out of alignment with the general wages position, and, in consequence, produces a continually troublesome problem.

One must appreciate that the paid representatives of trade unions are very experienced men in their line of business. The negotiations of wages and conditions of employment is their "bread and butter." This means, then, that the larger municipalities must employ specialists to meet specialists, and it is not unreasonable to assume that trades unions' representatives would prefer to discuss and negotiate with people who thoroughly understand the business of regulating wages and conditions of employment.

The employment of a "Director of Industrial Relations," or an "Industrial Relations Officer" is advocated. Such an officer must exist in the larger authorities if the task of regulating wages and conditions of employment is to be carried out efficiently.

As for the smaller local authorities, their problems are not comparable with those of the larger authorities, and the smaller authorities can obtain valuable information and excellent guidance from one or other of the secretaries of the various joint industrial councils, particularly the secretaries of the councils for the non-trading services whose duties cover a very wide field.

The scheme now to be outlined should give a solid foundation to a local authority for the future regulation of wages and conditions of employment of its workpeople. It is a scheme which has regard to the new Wages Councils Bill and is built up within the framework of all the existing wages machinery which affects municipal workers either directly or indirectly. It is a scheme that could hardly be objected to by the trades unions, and it is one that should recommend itself to local authorities anxious to honour trade awards and joint industrial council agreements and give equity of treatment to their workpeople with a minimum of friction.

THE PROPOSED SCHEME

1. *Holidays with Pay—A Uniform Scheme*

The local authority should convene a conference of representatives of the various trades unions concerned with the object of reaching agreement in regard to a uniform scheme of holidays with pay. During the discussion full regard should be had to the existing holiday recommendations of the public utility joint industrial councils and the non-trading services joint industrial council which form an excellent basis on which to negotiate since all such councils have a minimum recommendation of twelve days' holiday with pay per annum. Little difficulty should be experienced in reaching agreement with the trades

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unions if the agreement contains a proviso that no employee coming into the service or going out of the service be worse off than he would have been had the local authority been a private employer operating the appropriate holiday scheme of the industry concerned, such as those in operation in the engineering, vehicle building, building, civil engineering, and electrical contracting industries.

It would be found in practice that a uniform holiday scheme operating throughout all corporation departments would be most satisfactory.

2. *Payment of Wages during Sickness—A Uniform Scheme*

Some of the joint industrial councils already have sick pay schemes and others have the matter under consideration. It is impracticable and illogical for any local authority to operate three or four different sick pay schemes, and the local authority should, therefore, examine the existing schemes recommended by these joint industrial councils which have such schemes and endeavour to reach agreement with the trade unions concerned on the question of a local uniform scheme of sick pay that would give equity of treatment to all employees and operate throughout all corporation departments. A "Cesser Clause" should be embodied in the agreement to enable both the local authority and the trades unions to terminate the agreement by a month's notice by either party as it may be found necessary to vary the agreement when the National Insurance Scheme is introduced.

3. *Craftsmen and Craftsmen's Labourers*

All skilled, semi-skilled, and unskilled workers employed by the local authority in a particular trade, e.g., engineers, building operatives (all sections), electricians, vehicle builders, upholsterers, bakers, printers, saddlers, boot and shoe repairers should be paid the rates of wages prescribed by their respective agreements, including Sunday rates and overtime rates. Further, all the trade working rule agreements should be operated.

4. *Semi-Skilled and Unskilled Workers other than Trade Workers*

The rates of wages, Sunday rates, overtime rates, and other working provisions prescribed by the joint industrial councils for the waterworks industry, the gas industry, the electricity supply industry, the passenger transport industry, and the non-trading services should be applied to all workers who come within the jurisdiction of those joint bodies.

5. *Miscellaneous Workers*

Every large authority has a considerable number of workers whose wages and conditions of service are not catered for by either trade agreements or by joint industrial councils. The problem of regulating the wages and conditions of employment that arises from these miscellaneous classes is a source of great trouble to every local authority. Such classes include domestic workers, foremen and charge hands of every description, laundry workers, dressmakers, agricultural workers and a host of other classes too numerous to relate here.

These miscellaneous workers are to be found chiefly in the non-trading departments, but the trading departments have many such classes, and experience readily suggests the following as a solution to the problem:—

(a) *Domestic Staffs.*—The rates of wages recommended by the "Hetherington" Committee's Report should be applied. This Report, it should be explained, has been adopted by the Ministry of Labour and National Service, and any local authority applying the rates of wages prescribed in the Report to its domestic workers employed in hospitals and institutions may have persons "directed" from the Employment Exchanges to fill vacant posts.

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The rates of wages prescribed by the Report referred to may be regarded as a temporary measure pending the setting up of more permanent machinery to regulate the wages and conditions of employment of domestic staffs in voluntary hospitals, mental hospitals and local authorities' hospitals and institutions. As regards temporary adjustment of war wages and the conditions of service of local authorities' domestic staffs, these could be adjusted to conform to the recommendations prescribed by the non-trading joint industrial council as hospitals and institutions are actually non-trading services. Sick pay and holidays would be in accordance with the uniform schemes proposed.

(b) *Agricultural Workers*.—The rates of wages and conditions of service prescribed by the Agricultural Wages Board should be applied to the corporation workers engaged on corporation farms, local wage adjustments being made where considered necessary. Sick pay and holidays would be in accordance with the uniform schemes proposed.

(c) *Laundry Workers*.—Regard should first be had to the Trade Board (or Wages Council) rates, and, secondly, to those laid down in the Industrial Court Awards, 1884 and 1941, dated the 18th November, 1942, and the 16th February, 1944, which, at present apply to all laundry establishments working under the Essential Work Order as it is assumed that most local authorities will have taken advantage of the Essential Work Order to retain the staff necessary to carry out the very important laundry work of the hospitals and institutions.

A local authority may prefer to fix local rates, but it should always have regard to the compulsory prescribed rates. Once local rates are fixed, variations could follow those recommended by the non-trading joint industrial council since laundry workers are engaged in non-trading departments. The conditions of employment should also be those prescribed by the non-trading joint industrial council. Sick pay and holidays would be in accordance with the uniform schemes proposed.

(d) *Foremen and Charge Hands*.—When fixing the rates of wages of foremen and charge hands regard should be had to the highest rate of the worker supervised in each case. A reasonable plus rate should then be added to the rate of the highest paid worker to cover the degree of responsibility shouldered by the foreman or charge hand and the future wages of the foreman or charge hand should be regulated by the same award as that of the workmen supervised so that the plus rate will remain undisturbed when variations in wages take place under the appropriate wages agreement.

The fixing of flat rates for foremen has often been found to be very unsatisfactory, since foremen, not in receipt of overtime, very often receive considerably less in their wage packet than the men they supervise who are paid overtime in accordance with their appropriate trade or industrial agreement. Flat rates have been a source of much trouble during the war, and increases granted on flat rates are never satisfactory unless the margin between the rate of the highest paid workman supervised and the foreman is considerable.

The conditions of employment in the case of foremen and charge hands should follow closely those prescribed by the appropriate trade or industrial award. Sick pay and holidays should follow the uniform schemes proposed, and if additional holidays were granted to foremen they should be made applicable to all foremen throughout the local authority's various departments.

(e) *Other Classes*.—In every Corporation department, whether trading or non-trading, there are numerous other classes whose wages must—in the absence of outside wages machinery—be fixed locally. When fixing these rates of wages regard should always be had to the minimum rates operating in the particular

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department in which the worker is employed. When equitable local rates have been established these miscellaneous classes should have their future wages regulated by the trade or industrial agreement operating in the department for the majority of the department's workers. These "other classes" should also follow the general conditions of employment operating in the employing department. For example, if such class of employee is in the passenger transport department his wages should be automatically adjusted from time to time by the variations recommended by the Joint Industrial Council for the Passenger Transport Industry, and the same would apply to such a worker in the water-works department, the gas department, the electricity department, and the non-trading services departments: nothing would seem more logical, and the application of different conditions of employment in the same department for miscellaneous classes should be discontinued, as it not only causes much discontent, but it wastes the time of the Wages Committee in dealing with anomalies that should never have existed.

(f) *Workers Catered for by Trade Boards.*—Many local authorities have workers who, if they were employed on the same work by a private employer, would be paid Trade Boards (or Wages Councils) rates of wages as a minimum. The local authority should, therefore, be cognizant of these Trade Board rates when fixing local rates for their workpeople engaged on such work. In other words, the local authority must never allow its rates of wages for these classes to fall below those prescribed by appropriate Trade Boards. When local rates are fixed the conditions of service recommended by the Non-Trading Joint Industrial Council may be applied with confidence as such workers are to be found in non-trading departments. Sick pay and holidays would be in accordance with the uniform schemes proposed.

As regards the Road Haulage Wages Board, local authorities must (where they have a Parcel Delivery Service) apply strictly all the recommendations of this new statutory wage-fixing body.

A survey of the scheme outlined readily indicates that all workers in the employ of a local authority have been covered by one or other of the proposals outlined. The gist of the plan is to have a uniform holiday and sick pay scheme; to put all tradesmen under trade agreements; to apply the recommendations of the various joint industrial councils; to apply any statutory wage rates that may affect municipal workpeople; to apply the rates of wages adopted by the Ministry of Labour and National Service to meet the present emergency in regard to domestic staffs; to fix local rates of wages for miscellaneous classes not covered by trade agreements or joint industrial council agreements, or by statutory wages rates; and to marshal the miscellaneous classes under the major award operating in the respective employing departments.

Functions of the Central Wages Committee

It is now possible to suggest the local machinery to give effect to the scheme. There should be established by every large local authority a Central Wages Committee to be known as "The Industrial Relations Committee." It need have no elaborate functions and a resolution such as the following would give the Committee all the power it requires:—

- (a) That a Central Wages Committee, to be known as "The Industrial Relations Committee," be established, and that the functions of the Committee be to regulate the wages and conditions of employment of all Corporation workpeople and to deal with all other matters incidental thereto; and
- (b) That a "Director of Industrial Relations" be appointed at a salary to be fixed by the Salaries Committee.

The Duties of the Director of Industrial Relations

As Executive Officer of the Committee proposed the duties of the "Director of Industrial Relations" would include the following:—

- (a) To prepare for the consideration of the Industrial Relations Committee all the statistical information and other data necessary to deal with applications relating to wage rates and conditions of employment;
- (b) To advise the Committee on all matters arising from the regulation of wages and conditions of employment of all Corporation workpeople;
- (c) To advise the Committee and the Council on all matters appertaining to labour questions;
- (d) To receive all notifications from outside bodies relating to the wages and conditions of employment of the Corporation's workpeople;
- (e) To notify all Corporation departments of variations in rates of wages and conditions of employment and give guidance to the departments on the application of wage agreements and other matter relating to wages and conditions of employment;
- (f) To notify the City Treasurer of all variations in rates of wages and conditions of employment to enable the Audit Department to make the necessary check and so prevent unauthorised variations in rates of wages;
- (g) To attend meetings and conferences of outside bodies which affect the rates of wages and conditions of employment of municipal workers to which the Director may be invited, or of which he may have been appointed a member with the approval of the Industrial Relations Committee;
- (h) To set up and keep records of the rates of wages and conditions of employment of all the Corporation's workpeople;
- (i) To furnish from time to time such information as may be required by members of the Council, or officers of the Council, holding office on the various public utility joint industrial councils and the non-trading services joint industrial council, and to hold such local conferences with those representatives as may be considered necessary on matters where important principles are involved;
- (j) To investigate all cases submitted to him by the Town Clerk relating to the alleged violation of the Fair Wages Clause of the Corporation by contractors, or sub-contractors, working for the Corporation;
- (k) To record and report to the Industrial Relations Committee information concerning absenteeism of workpeople through sickness and to operate any scheme of sick visitation that may be considered necessary;
- (l) To investigate and report on any wages dispute or any other difference that may arise relating to wages and conditions of employment and to prepare any case that may be referred to arbitration;
- (m) To reply to all queries received from other local authorities, trade organisations, joint industrial councils, and the Ministry of Labour and National Service—Statistical Department—relating to wages and conditions of employment of the Corporation's workpeople; and
- (n) To operate any scheme for the reinstatement and rehabilitation of the Corporation's workpeople.

The Appointment of the Director of Industrial Relations

There is a very great shortage of trained and experienced Industrial Relations Officers, and such few as there are have made a special study of the subject and have grown up with the complex wages machinery evolved during the last twenty-six years.

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However, every large local authority has usually two or three officers with a flair for matters relating to wages, and such men would form an admirable nucleus from which to build an industrial relations staff.

It is certain that steps must be taken to train Industrial Relations Officers. The large local authorities must have them, as the post-war problems will require the services of specialists, and that point should be borne in mind when the appointment of the "Director of Industrial Relations" is under consideration.

Conclusion

The problem of regulating the wages and conditions of service of work-people is no easy one at any time, but it is hoped that the foregoing proposals—the outcome of 25 years' experience—will assist local authorities both now and in post-war years. The principles of the scheme advocated are sound; they can be applied within the framework of the existing wages machinery; they are in no way opposed to trade union principles; and they do not violate any agreement or award. If the proposals were adopted one could say with complete confidence that they would regulate the wages and conditions of service of municipal workers far better than they are regulated to-day; they would save much time and much thought of the wages committees; they would give to the worker a much clearer understanding than he has at present of how his wages are to be regulated; they would remove the discontent that exists in the same department when increases apply to some workers and not to others; and they would greatly lighten the burden of the wages clerks of local authorities who clamour for the adoption of a system of wages regulation based on the principles proposed.

The cost to local authorities of giving effect to the wages and conditions of employment proposals would be very little, and what cost might be incurred would be more than offset by the many advantages that would accrue.

OTHER BOOKS AND REPORTS RECEIVED

Oxford Pamphlets on World Affairs :—

No. 71. *The Tropical Far East*. By J. S. FURNIVALL. (6d.)

No. 72. *The Problem of Austria*. By E. J. PASSANT. (6d.)

London, Oxford University Press : Humphrey Milford, 1945.

Barnett House Papers, No. 28 : War and Unemployment. By HENRY CLAY, M.A. Warden of Nuffield College. Sidney Ball Lecture, March 8th, 1945. (2s.)

An Introductory Anthology of President Truman. Compiled by the Staff of the American Library in London, and edited by Dr. RICHARD H. HEINDEL, Director, April, 1945.

Holiday Making and the Holiday Trades. By ELIZABETH BRUNNER. Nuffield College. Oxford University Press, London : Humphrey Milford, 1945. (2s. 6d.)

Britain's Way to Social Security. By FRANCOIS LAFITTE. Pilot Press, Ltd., 45, Great, Russell Street, W.C.1. (6s.)

The Economics of Full Employment. Studies prepared at the Oxford University Institute of Statistics. Basil Blackwell, Oxford. (12s. 6d.)

The Character of British Democracy. By A. K. WHITE. Craig & Wilson, Ltd. (4s. 6d.)

The Incorporated Association of Rating and Valuation Officers : Report on Reconstruction. Crusha & Son, Ltd.

Nalgo Reconstruction Committee : Report on Relations between Local Government and the Community. (6d.)

Oxford Economic Papers. Oxford University Press.

The Advancement of Science, 1831 to 1945. Published by the British Association for the Advancement of Science. (5s.)

MEMBERS' NOTICES

FUTURE EVENTS

Public Services Dinner in honour of the President, the Rt. Hon. Sir John Anderson, G.C.B., G.C.S.I., G.C.I.E., M.P.

To be held at the Grosvenor House Hotel, Tuesday, 4th December, 1945, for members of the Institute. Full particulars will be circulated later.

LECTURES

The Institute is anxious that the many administrative experiments produced by the war should be studied and recorded before they are forgotten or the officials who carried them through have retired, and accordingly arrangements have been made for the following three lectures to be delivered before Christmas:—

Wednesday, 17th October

"The Ministry of Health in War-time," by Sir John Maude, K.C.B., K.B.E. (Permanent Secretary, Ministry of Health).

Wednesday, 14th November

"The War Agricultural Committees," by Sir Donald Vandepeer, K.B.E. (Permanent Secretary, Ministry of Agriculture and Fisheries).

Wednesday, 12th December

(Particulars to be announced later.)

Full particulars regarding place and time of the meetings will be circulated later.

THE HONORARY SECRETARY REPORTS

EMERGENCY COMMITTEE

The Annual General Meeting gave the Emergency Committee power to add to its numbers by co-options so as to bring the size up to fifteen. This was an interim measure designed to strengthen the Committee for the considerable amount of work which lies ahead during the next few months before the first post-war election becomes possible in 1946. It is with much pleasure that the Committee is able to announce that the following members of wide and varied experience have consented to serve:—

Mr. Haden Corser, Acting Secretary of N.A.L.G.O.

Dr. E. N. Gladden, Ministry of Labour.

Mr. Ernest Long, Secretary of the Institute of Municipal Treasurers and Accountants.

Mr. Raymond Nottage, Post Office.

Mr. J. R. Simpson, H.M. Treasury.

MEMBERSHIP COMMITTEE

The Membership Committee has been reconstituted, and the following members have agreed to serve:—Mr. C. Winter (L.C.C.) (*Chairman*), Miss D. Smyth (Ministry of Supply), Messrs. Haden Corser (N.A.L.G.O.), F. Bruton Haywood (Ministry of Labour), S. R. Speller (Institute of Hospital Administrators), L. Tollemache (Home Office), L. Welsh (L.C.C.). Besides considering applications for membership the Committee is responsible to the Emergency Committee for suggestions and activities concerned with extending the membership of the Institute. They will be glad to consider suggestions.

MEMBERS' NOTICES

QUESTIONNAIRE

The 160 or so replies have been a great encouragement, and have revealed a wide range of ideas, and great potential activity among Institute members. Some of the information contained in the replies has already been turned to profit, and all of it is useful in planning for the future. The indication of the particular interests of individual members is specially important, and it is our intention to do our best to encourage and develop those interests. Though it adds to the office work, the completion of many more questionnaires will be welcomed. Have you completed yours?

REGIONAL GROUPS

The Birmingham Group has made its first moves towards a revival of activity in good time for the winter, and we wish it every success. The names and addresses of all members in the Birmingham area have been sent to Mr. H. C. Chamberlin, King's Court, 115, Colmore Row, Birmingham, 3, the Secretary, and he will be glad to receive comments and suggestions from those prepared to take an active part. We anticipate hearing soon that other groups are under way.

RESEARCH

Under the direction of Sir Gwilym Gibbon research activities are being renewed. A substantial balance lies in the Spelman Fund for the development of research, while a vast field of administrative problems awaits investigation. Sir Gwilym's task, no light one, is to find the researchers. Any member desiring to attempt research into any particular subject should communicate with him through the office.

BOMBED LIBRARIES

The appeal for back numbers of PUBLIC ADMINISTRATION to be passed on to bombed libraries has not met with all the success we had hoped for, and we are having to dip rather deeply into our stocks. Numbers and sets, especially from 1938, are required. It is not too late to help.

LONDON BOUNDARY COMMISSION

A study group of the Institute, under the chairmanship of Mr. Arthur Collins, is preparing a memorandum setting out the principles on which they consider the revision of boundaries and the reallocation of functions among London authorities should be based. The memo. is to be submitted to the Reading Committee soon. Any members who have views on this subject should send them in immediately.

R. C. J. K.

STUDY AT HOME FOR THE LONDON UNIVERSITY DIPLOMA IN PUBLIC ADMINISTRATION

The examination for this Diploma can now be taken by candidates who (1) have passed or obtained exemption from London Matriculation; or (2) have obtained a School Certificate or some recognised equivalent qualification and have for two years held an approved appointment in a Public Office. Attendance at University classes is not necessary; candidates can prepare for the exam. at home. The Diploma is increasing in importance as a qualification for those engaged in local government service. Founded in 1894, Wolsey Hall prepares candidates for D.P.A. Examinations by means of up-to-date postal courses drawn up and individually conducted by highly-qualified graduate tutors. A Guarantee is given that, in the event of failure, tuition will be continued free of charge. At the 1944 (External and Extension) Examinations 21 WOLSEY HALL Students passed, forming nearly HALF THE PASS LIST.

Prospectus free from C. D. Parker, M.A., LL.D., Dept. HJ27,

WOLSEY HALL, OXFORD

Reviews

The Civil Service: Its Problems and Future.

By DR. E. N. GLADDEN. (P. S. King & Staples, Ltd.) Pp. 167. 10s. 6d.

It is not easy to review this book. There is so much of interest and value in it, yet somehow it misses being "the" book on the Civil Service. This is partly because the scope of the book is far more ambitious than the number of pages really allows. In the first 98 pages Dr. Gladden covers the history and present problems of the Civil Service, in which among other things he deals with criticisms of the Civil Service, the recommendations of the various Commissions, recruitment, training, promotion, staff co-operation and the control of the Civil Service. As a result he cannot devote the space each aspect deserves and is thus on occasion driven to exclude all but the well-known facts or to pass potted judgments on complex issues. One of his comments dismissing *The New Despotism* is "Lord Hewart's chief mistake appears to have been to confuse an essential social development with a designed attack upon the vested interests of the legal profession." On other occasions the brevity of description combined with a certain obliqueness of style may mislead the non-too-careful reader; for example, "The Civil Service is not concerned with policy . . ." qualified a few lines later by the equally doubtful sentence, "To a limited extent, it is true, the Civil Service's function is to assist in the formulation of policy."

Part II deals with a subject dear to Dr. Gladden's heart—Reform of the Civil Service. Briefly his plan is: to replace the present departmental clerical and executive classes by a new General Clerical Class, which would be divided into ten Seniority Groups. Recruitment to Group I would be wholly from outside; to Group II only two-thirds from outside, the remainder from promotions from Group I; to Group III only one-tenth from outside and nine-tenths from Group II. Officers in the three Groups would be considered to be in the same class, but Group III would receive higher wages than Group II, and Group II higher wages than Group I. The proportion of the staff in each of the ten Groups would be decided mainly by a new Personnel Organisation Board. Promotion from Group to Group would be by the Department concerned on the basis of the present system of annual reports, etc. No officer would be allowed to jump over a Group. It would be possible to demote a man to the next Group below for incompetence.

What does Dr. Gladden hope to achieve by this reorganisation of the clerical-executive grades? A tidier picture for one thing and for another, by reducing the differences in the titles given to different types of officers, he hopes to achieve a less rigid structure and so facilitate transfer both between Departments and between different jobs. No doubt the present occupants of these grades and their staff associations will have much to say about these proposals. But it must be pointed out that some of Dr. Gladden's proposals could, if thought desirable, be adopted without any radical change in the present grading. Thus the Personnel Organisation Board and the use of demotion owe nothing to the ten Seniority Groups. And some of the conditions postulated for the success of the scheme would also equally help existing arrangements; for example, "the proposed scheme visualises the constant occurrence of vacancies throughout the whole system," and "transfers at the request of a

Department or a section of the staff (through the Whitley Council) would be authorised where the age groupings of the Department's staff were considered likely to lead to undue stagnancy."

As regards the present administrative class Dr. Gladden has two main proposals. First, many of the higher controlling posts at present graded as executive or super-clerical would in future be included in the administrative grade. Secondly, 50 per cent. of the recruits to the class would come from within the Service. A reasonable number would be assigned to the staff officer grade, a number would be allocated to clerical officers selected by the Departmental head and a certain number of vacancies in the cadet grade would be earmarked for members of the general clerical class, who were under 35 years of age, selected by an examination of a specialised type (economics, political science and administrative theory). Here, again, there is plenty of room for discussion. For a long time the good clerical officer has been the Civil Service problem. So great is the gulf created by the caste system between administrative and other grades that all ambitious clerical officers long to become a member of it, certainly only a few appear to be really satisfied by the non-commissioned officer's rank of staff officer, etc., created to meet this problem. Yet the gulf between top administrative work and all other work is so real in quality that the good clerical officer can seldom bridge it, at least not often under the conditions whereby he only reaches administrative work late in life. Should a man be put into the administrative grade unless he has qualities which might later justify his promotion to the Assistant Secretary level or higher? Or is there a whole lot of work at the Principal level which could well be merged with the work normally undertaken by staff officers and higher executive officers? Unfortunately Dr. Gladden's book was written before he could sift war-time experience, during which time there has been a vast number of promotions into the administrative grade. What have been the weaknesses and strengths of these promotees? Were many too old to readjust themselves to new attitudes and responsibilities? In what kind of administrative work have they been most successful? More information is required before we can pass judgment on Dr. Gladden's proposals.

One point occurs time and time again: Dr. Gladden's dislike of the exercise of personal choice in recruitment and promotion. Clearly, if he thought it feasible, he would base all promotions on open, internal competitive examination, so great is his fear of nepotism. It is, of course, precisely the search for the objective test for promotion which leads to a strict adherence to the seniority rule—not that Dr. Gladden is a supporter of that rule. But personal choice must be important. The application of any automatic test is bound to lead to round pegs in square holes and a disregard for the important personal qualities needed by the good administrator. The solution of the problem must lie in a first-class establishment staff which is so obviously knowledgeable and honest that even its boldest promotions are accepted without question—or is that asking too much of human beings?

A final point—nowhere does Dr. Gladden analyse the work and responsibilities of the various grades and so open the way for an appreciation of the qualities required in them. Is not one of the main troubles with Civil Service staffing and promotion that a very large part of the work is definitely uninteresting and requires the exercise of less discretion and responsibility than the work of lower-paid people in, say, a retail store, bank or local government?

Dr. Gladden's book raises many interesting questions. At many points you may disagree with his comments or line of approach, but always you will be stimulated into fresh thought.

D. N. C.

Introduction to Economics

By A. K. CAIRNCROSS. Butterworth and Co. (Publishers), Ltd. Pp. 432. 12s. 6d.

DR. CAIRNCROSS dedicates his book to "the Cambridge economists of all countries," and when, in his modest preface, he states that "in form and matter the book follows conventional lines and makes no claim to originality," he is paying further tribute to Cambridge and to the founder of the Cambridge school, Alfred Marshall. For the sequence of subjects in Dr. Cairncross's book is in essence the sequence of Marshall's "Principles," and the substance of much of the argument is also to be found in that famous text.

But that is also true, of course, of many introductory books on economics published since 1890. What distinguishes Dr. Cairncross's book from the rest—apart from its high price, close printing, narrow margins and other marks of the war-time difficulties of publishers? Undoubtedly it is his concentration on the facts of economic life, and, in particular, on the character of modern industrial structure and organisation. Marshall, in his "Principles," gave to the theories of Value and Distribution—i.e. to the analysis of the pricing of products and factors of production—more than twice the space he devoted to describing the productive system itself. Dr. Cairncross allows as many pages to the system as to the theories of its working; and even the sections which are formally theoretical have been given as much factual and realistic content as possible.

At the present time, this change in emphasis is commendable on two accounts. First, the tendency of modern text-books has generally been in the opposite direction, with what factual material there is concentrated rather on the monetary system than on industry and business operations. It is time this tendency were reversed. Secondly, Dr. Cairncross was particularly well equipped to make the change, because he is himself plainly most interested in the field which others have tended to neglect. This leads to a confidence of statement and freshness of illustration in even the most commonplace observations that is a welcome change from a mere repetition of what Adam Smith said in 1776. Furthermore, Dr. Cairncross is interested in the political and social implications of industrial activity as well as in its mechanisms and manifold character, and is not afraid to set out the controversies involved—with some shrewd observations upon them. Beside the chapters on the factors of production, on specialisation, and on large- and small-scale production and the growth of the former, there is a chapter on the social aspects of pricing, a particularly neat piece of work on unemployment and the trade cycle, covering that vital topic with quite remarkable fulness in the space allowable, and significantly for the nature of the whole book, a final chapter on the State and industry.

The book is specially to be commended, therefore, to two classes of persons: those who find the usual text-books arid and unrealistic for the matter-of-fact concerns they had in mind when they took up the subject; and those at the other extreme who are tempted to be content with the theories alone and to have no concern for their practical significance.

The first group will find in Dr. Cairncross's book the realism they demand. The only question is whether they will also grasp the main principles of economic analysis, and particularly the marginal principle, which turn the subject from a mere catalogue of facts into a technique of understanding and a basis for decision. Of that there may be some doubt, not because such analysis is absent from Dr. Cairncross's book—it is never far from any of its pages—but because it is to be found more in the uses to which Dr. Cairncross puts it himself than in any straightforward and meticulous exposition. Dr. Cairncross's deliberate avoidance of plunging "too abruptly into analytical deeps," coupled with his

determination that there should be "no attempt to over-simplify," may cause many readers, left unaided, to miss the main value of the book, and the student dissatisfied with the less practical texts may in the end be forced to go back to them once again.

But if he is, he will go back with a new understanding of the relevance of economic theory and of the way it can be used for getting to the roots of actual events, and he will continue to return to Dr. Cairncross's book thereafter. This is also the book's merit for the second group of readers. In it they will see economic analysis being *used* to elicit understanding, and so begin themselves to use it. That is more important than any ability to be able to repeat some particular theory or even to elaborate finely upon it. As Dr. Cairncross himself says:—

"For some people, the value of economics—even in fairly small doses—lies in disciplining them in sustained thinking about social problems. . . . For others, the value of economics lies mainly in shaking them out of an unreasonable complacency in their political philosophy. . . . Above all, economics is of value in allowing us to judge and frame policies in the light of full knowledge of how the economic system works."

A text-book which teaches that lesson has got close to the roots of the matter.

R. C. TRESS.

Civil Service in India

By AKSHOY KUMAR GHOSAL, M.A., Ph.D.(London). A Study in Administrative Development under the East India Company (University of Calcutta).

"AN increase in the money income of the peasantry and in the yield of taxation will follow automatically and the whole economy of the country will be raised to a higher level It is a matter not of politics but of administration. . . . If I am right this means that India's future depends not on the issue of a conflict of rival political theories but on the successful solution of problems of administration." These are the words of Sir John Anderson when making the inaugural address to the 1938-39 session of the Institute of Public Administration. They are sufficient justification for a study in administrative development in India quite apart from the reason that Mr. Ghosal had for choosing this subject for his thesis.

The title "Civil Service in India" is comprehensive and it is so perforce. A private mercantile service is transformed into a full-fledged public administrative service. The minutes of the proceedings of a Board of Directors sitting in the City of London give way to the orders of a Governor-General in Council in Calcutta. That is the story in this first volume. It is a romance worthy of the time and labour spent in searching the files of the India Office in London and of the Imperial Record Department in Calcutta. The bibliography is impressive. Some of the documents examined in original by Mr. Ghosal may not have been handled by previous chroniclers of the early history of what are now the Imperial, Central, and Provincial Services in India. Clerks and accountants with no security of tenure working vicariously for a pittance in factories, settlements, or towns on the seaboard, are now bureaucrats with conditions of service as comprehensive and as secure as those of the Home Civil Service—and much more highly paid—controlling the destinies of 400 million people.

This volume records in particular the growth of what in England would be known as the Administrative Grade of Civil Servants (Class I). Present numbers of the service would be roughly 1,200—possibly 50 per cent. Indian and

50 per cent. British. The author pronounces it to be "the most perfect and efficient bureaucracy in the world." The first two chapters relate the happy-go-lucky and (except for disease) care-free life of the merchants from 1600, when the company was formed, up to 1757, the date of the Battle of Plassy. During that period the Company was acquiring trading privileges from the rulers of the country. Some of the privileges were quasi-administrative. It is a pity that these "firmans" have not been catalogued and summarised. Within the borders of the trading posts established round the coasts some courts existed to administer law—British law for Britons and Indian for Indians. An attempt was made to administer these settlements on the lines of the towns "at home" with mayor and corporation. The troubles of the Company start in earnest when it decides to take the place of the local rulers.

From this point the story is not so clearly told. The subject naturally falls into two main heads. First, the growth of the administration from mercantile transactions to absolute rule—in this process there are several stages, the gradual relinquishment of trade, the acquisition of the right to collect the revenue, the assumption of civil and finally of criminal jurisdiction, not to speak of the maintenance of an army and navy; secondly, conditions of service such as recruitment, pay, leave, transfer, and social conditions then obtaining. A short historical survey should precede this somewhat confusing though fundamentally important period covering the lives and work of Lord Clive, Warren Hastings, and Lord Cornwallis. The value of the material presented is less than might have been. Instead of proceeding from the general to the particular, the author has taken the material piecemeal in chronological order without sufficient marshalling of the facts relating to any particular branch of administrative development. A sketch of the Diwani (administration) of Bengal under the Nawab and before the Battle of Plassy and the assumption of sovereignty by the Company would have been useful, as also a glossary of colloquial terms. Much repetition would have been avoided. In the succeeding chapters the writer seems to have devoted himself to the study of Bengal only.

Events in Europe and elsewhere in India, no less than the financial position of the company in England, must have influenced the Governors-General in their decisions. It is unfortunate that these circumstances, which must have weighed heavily both "at home" and in Calcutta, are either not mentioned in sufficient detail or at all. What financial return did the company give to its shareholders? The author is continually stressing shortcomings due to the fact that it was wrong for a trading concern to be in such a dominant position. We know that the servants of the company made at the worst periods stupendous fortunes by looting the company and the natives. Were the shareholders equally avaricious? Should the writer not allude to the trial of Warren Hastings? On what ground was he impeached? Surely those proceedings are relevant to Civil Service in India? The author has been more successful when choosing a subject rather than a period. The history of the Colleges at Fort William and at Haileybury are very instructive. How are young Assistant Commissioners trained to-day?

The appendices are interesting. The forms of bond given by factors in 1600 and the "covenants" signed by covenanted servants in the important years from 1740 to 1770 and the more recent documents of 1891 and 1931 constitute mines of information although they hide many a sorry tale. Surely they epitomise the whole history of the conditions of service, and might well have been more prominently treated. More interesting still is the reproduction of the letter from Mr. Verelst, the instruction to supervisors and the regulations for the settlement and collection of revenue in 1772. Here is an extract.

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"These informations, provided they be derived from genuine authorities, and confirmed by an accurate inspection of your own, will enable you to compute what the production of the country, deducting the consumption of the inhabitants, will yield for the purposes of commerce and how far the wealth and prosperity of it may be augmented by an encouragement being given to the culture of any particular article, either as a necessary of life, or as a material in manufactures." In what way does this assessment differ from the "Analysis of Estimates of the National Income and Expenditure in the years 1938 to 1944 prepared by the Financial Secretary to the Treasury, Cmd. 6623"? The underlying principle is the same. It seems that the Directors of the East India Company were fully conversant with economic practice which has loudly been proclaimed as the product of the present decade. Again, at page 119, the supervisors "will draw up a list of the products of the province, to report on its commercial capabilities, not forgetting an exhaustive account of the means of developing its internal resources, with suggestions for removing those multitudinous obstructions between the producer and consumer which had so fatally damped the spirit of industry under Muhammadan rule." Is the Bombay plan really the first of its kind? Are these instructions so vastly different from the duties which will confront the Economic and Social Council to be set up at San Francisco? Were the Directors of the Company as incompetent as they are made out to be? Interference in the affairs of the Company by Parliament was not wholly beneficial.

This study in administrative development reveals the origin of many instructions contained in the present District Office Manuals. For instance, the petition box, dual control in the district Treasuries, the maintenance of registers for recording the results of decisions whether judicial or semi-judicial—all date back to the period under review. These safeguards in the administration are fundamental. When disregarded efficiency is impaired.

A second volume is much to be desired. The Provincial and Subordinate services now bear so much of the burden of the day that it is hoped they will be given a fair share of comment. The picture cannot be complete without reference to the increasing numbers employed in the services which staff the Beneficent Departments and the Utility services run by the Central Government. It is much to be hoped that the Covenants, Subordinate Service Rules, Government Servants Conduct Rules and District Office Manuals will figure largely in the next volume. The more time and trouble that is spent on the history of administration in India the better. How can a nation find its soul until its history is available? Rather than concentrate on the study of English history Education Departments should encourage research of this kind. The writer often had reason to deplore the want of knowledge of local history among students with whom he has been in contact. One last comment—"Corruption among minor officials in connection with the granting of trading licences has become in the Committee's opinion so widespread . . . that we think most drastic steps should be taken to stamp out the evil which has corrupted the public service and public morals." Was this written in 1945 by Sir John Rowlands or in 1745 by some "khaikhwah sirkar" complaining of the abuse of "dastaks"?

There are too many printer's errors. The type is excellent and paper of quality almost impossible to procure in war-time England.

JAMES READ.

Public Health and Welfare Organisation in Canada.

By HARRY M. CASSIDY, Ph.D. (The Ryerson Press, Toronto.) Pp. 464.
Cloth \$4.50, paper \$3.50.

THE author of this book is now the Director of the School of Social Work in the University of Toronto. His earlier experience in academic fields was in

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the Universities of Toronto and California and his practical experience included a period as Director of Training to U.N.R.R.A. and five years as Director of Social Welfare of his native Province of British Columbia.

Canada, not less than Great Britain and the other Dominions, has felt the compulsive need for social security. The Marsh Report on Social Security for Canada, the Report of the Advisory Committee (the Heagerty Committee) on Health Insurance, the memorandum of Miss Whitton of the Canadian Welfare Council and Dr. Cassidy's own book on Social Security and Reconstruction in Canada all appeared in 1943 and all testify, from different points of view, to the importance of the issue. A comprehensive national scheme of social insurance was promised by the government early in 1944 and a federal department of health and welfare subsequently established. The examination of existing provincial practices in health and welfare and of their shortcomings, the allocation of services and expenses between the province and the municipality, the extent and method of Dominion financial aid and supervision, and the need for extended health and welfare services with an assessment of the proper authority for their provision, these are the subjects of Dr. Cassidy's present book.

More than half of it is given over to a detailed survey of the health and welfare services of British Columbia and to an account, obviously a labour of love, of the improvements and developments (many of which the author helped to initiate) in those services during the last ten years. Nor is that account without its value to anyone in this country interested in social security or in the health and welfare services. These problems, in a population comparable with that of Liverpool, but occupying a territory some six times the size of England and Wales, half of the people being concentrated in two urban aggregates and a quarter scattered over "unorganised territory," is clearly a useful introduction to the problems of Canada as a whole, where this vast British Columbian scale is extended ten-fold. Nor are the differences from the cognate British problems in the main any more than differences in degree, although in some instances geography will impose solutions on different lines.

Child-welfare services in Canada are at present apparently limited to "those measures of child care and protection which are necessary because of the failure of the family to perform its normal protective functions and include the care of orphans and neglected children in institutions and foster-homes, assistance to unmarried mothers and their children, the administration of adoption laws and protective work in behalf of the children of incompetent parents." Their administration is felt to lie in the sphere of the welfare department rather than in that of the health department, whereas in this country it is not only divided between both but is also shared by the education department. Except perhaps in the large towns, circumstances in Canada have prevented the development of the health visitor and infant-welfare centre system, whereas in this country they form major activities of the health department and have contributed substantially to the promotion of child health and diminution of infant mortality. Infirmarys also, as distinct from hospitals, are unhesitatingly classed by Dr. Cassidy as properly in the sphere of the welfare department. In this country, difficult as is the classification of the infirm, official policy since 1929 has been to deal with them by virtue of the Public Health Acts and the public health department rather than through social welfare machinery. Much, however, remains to be done before the policy is fully implemented and the reports of the various hospital surveyors, now being published, will no doubt lead to further developments.

The size of local government units in terms of population, if efficiency is to be secured, is examined. The case for *whole-time* trained staff both for

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welfare and for public health work is regarded as unanswerable and the minimum population unit which can justify and support such a staff is one of twenty thousand. Such units are at present the exception rather than the rule and as local administration is favoured by Dr. Cassidy, he regards boundary alterations and fusion of districts with favour. His examination of provincial-municipal relations is particularly interesting. Despite the obvious arguments in favour of provincial administration (all of which might be extended still further in favour of direct Dominion (administration), he decides unhesitatingly for the municipality except for such services as juvenile courts and medical services for the needy. Local administration gives flexibility, scope for experiment, facilities for co-ordinating the health, education, housing and recreational services and wider opportunities for participating in self-government, and these advantages are decisive. The financial arrangements as between province and municipality are carefully examined and the most suitable arrangement thought to be that, for health services, up to a maximum of 1 dollar per capita per annum, the province should bear 25 per cent. of the cost. For welfare services, on the other hand, any approved expenditure beyond certain limits should fall entirely on provincial funds. The problem of Dominion assistance for certain health and welfare services, proportional expenditure on which has doubled in thirty years and now amounts to 36 per cent. of the total, is also examined, with emphasis on the vital need for real leadership and the corollary of employing highly trained and properly remunerated personnel. To Dr. Cassidy, the man at all levels is more important than the machine and he reverts constantly to the problem of securing enough of the right staff with the right training.

Dr. Cassidy is particularly illuminating on the complexities and difficulties of a national medical service. A committee of civil servants was appointed in 1942 to consider health insurance and public health. Its report (the Heagerty report) was issued in 1943 and in the form of draft bills has received much attention from the (Canadian) Commons Committee on Social Security—seven successive draft bills have in fact been considered. The public health proposals—on tuberculosis treatment, care of the mentally ill, general public health, venereal disease control, professional training, investigation and on the treatment of crippled children—and on the Dominion aid to these services are relatively non-controversial, but the proposals for health insurance of the whole population, rich and poor, have received as much discussion, and apparently as much modification as have the proposals in the British White Paper on a National Health Service, and an agreed solution still seems equally remote. Several of the Provinces have anticipated the Dominion Government and have already passed Health Insurance Acts, of limited application and of still more limited achievement. Nearly everyone favoured the principle of health insurance, but there was sharp disagreement, particularly from the physicians, who sensed exploitation, on the application of the principle. So active was their opposition that the statute passed by the British Columbia legislature was never operated and Dr. Cassidy heads his account of the episode "the reform that failed." Health Insurance, as applied to the whole population, is clearly "a tricky and difficult subject as full of political dynamite as it is of technical problems" in Canada as well as in this country.

A word must also be said on Dr. Cassidy's very clear discussion on the local administration of public health and of welfare services. They are different in kind, require personnel with different types of training and even with a population as small as that of Prince Edward Island (100,000) justify two separate departments. Both departments, properly administered, will each have five or six main divisions and it is not possible for an executive head to maintain

efficient contact with and control over more than this number. Even if he could, the "intellectual span of control," the personal acquaintance with the subjects being handled in a joint department, would be beyond the competence of the normal individual. And, perhaps not least important, such a combined department would require 40 per cent. of the local budget; giants among pigmies have their drawbacks. These conclusions are in line with British practice, but in other ways there is in our own system ample evidence of the "confusion and lack of guiding principle" arising from the "haphazard piling up of measures, the form and precise objectives of which have been indicated by temporary circumstances, financial and political considerations, and passing fashions of administrative method." That was in fact written about Britain, but Dr. Cassidy views it as even more applicable to Canada. Signs are not wanting in both countries of a surprisingly widespread willingness to face change and to assimilate progressive ideas. That spirit of enterprise should be stimulated by this book, in which the ways and means of attaining the public health and welfare aims of social security are set out clearly, without glossing the difficulties, but with a happy and inspiring blend of the academic and the practical viewpoints.

J. A. SCOTT.

Government in Australia—Selected Readings.

Edited, with Introduction, by Professor F. A. Bland. (Government Publisher, N.S.W.) Pp. liv + 761. 20s. + 2s. 3d. postage.

ONCE upon a time I used to receive a bookseller's periodical which had the habit of selecting intriguing and appetising extracts from the latest books. It is very tempting to adopt this reviewing method in Professor Bland's book. The extracts would be of three kinds. First, there are the statements made in the Reports, etc., which form the basis of the selected readings. Listen to the Queensland Public Service Commission on Equal Pay (written 1936):—"Equal pay for the sexes contains many elements of perplexity. In big issues which involve females there is a tendency on the part of males to adopt in public the Chesterfieldian pose. There, at least, males will avoid any suggestion of Rabelaisian broadness. What they say in club may be another story. . . . The Industrial Act . . . provides . . . that the same wage shall be paid to persons of either sex performing the same work or producing the same return of profit to their employer. So far the Industrial Court has refused generalised claims for equal pay and has given sound reasons for its decision. But certain unions return to the charge with unwearying persistency and base their claims mainly upon the 'performing the same work or producing the same rate of profit' theory."

(Note.—The Industrial Act of Queensland provides that the basic wage of an adult male employee shall not be less than is sufficient to maintain a well-conducted employee of average health, strength and competence, and his wife and a family of three children in a fair and average standard of comfort—but for adult female employees the Act provides for a basic wage not less than to support herself in a fair and average standard of comfort.)

Secondly, there are the questions set by Professor Bland at the beginning of each chapter to focus the reader's attention on the issues raised. Here is a sample:—Does the employment of women affect the organisation of office work? What is the defence of "red tape"? Can circumlocution be avoided? By what criteria can you test the efficiency of Public Service activities?

Finally, there are the views and comments of Professor Bland. His fifty pages of introduction are both a succinct analysis of the problems of Australian government and a fearless and wise commentary on current trends such as we would expect from a scholar of his experience and standing. Clearly Professor Bland is most worried about politics impinging on the efficiency of the administrative machine. Some vocal members of the Australian public services are claiming the right to participate actively in party politics and recent legislation has facilitated this. "Even sympathisers with the legitimate political aspirations of the public servants fear that it is but a short step from a public service politician to the politicised public service with all its implications."

Again, on the developments following the rise of the Australian Labour Party to power, with its caucus system and stress on loyalty to the "Movement," Professor Bland says, "The resort to the caucus system affects the substance as well as the tone of parliamentary debates. The claim by the Movement to determine political policy removes the initial discussion of matters of general public concern to an extra-parliamentary body, and the decisions of the party conference are an essential preliminary to their being brought before Parliament by Labour Governments. Again, if the Movement is to have effective control over the tactics and times for embodying party planks in the social system, it cannot afford to rely upon the personal inclinations of a Labour Prime Minister, and hence the party insists not merely in directing Ministers but also on their being elected by the Parliamentary Labour Caucus, thus restricting the Prime Minister to the allocation of portfolios amongst the Ministers chosen for him. Loyalty to the Movement thus conflicts with Cabinet traditions, and the effect is to disregard the principle of Cabinet solidarity. Many Labour Ministers therefore see nothing unusual in making pronouncements at variance with those of the Prime Minister."

But no more extracts. The book is full of interest. Clearly more attention should be paid in this country to the experiments in government at present being tried in Australia. And Professor Bland's latest book is an excellent guide.

D. N. C.

Comparative Administration.

Public Administration Review, Journal of the American Society for Public Administration, has a quality and an interest which should make it more widely read in this country. Started during the war and at a time when it was difficult if not impossible to buy foreign journals, particularly if expenditure of dollars was needed, almost certainly as times become less difficult British universities, institutions and individual students of comparative government will become subscribers. It is to be hoped that the American Society have a number of sets of the first four volumes in reserve.

The reader of the American journal will notice two points of contrast between it and the corresponding British journal. First, the American journal is fortunate enough to obtain first-hand descriptions of the organisation and working of the central Government Departments. It is true that *PUBLIC ADMINISTRATION* has contained some such articles in the past: one remembers Sir Oswyn Murray's brilliant article on the Admiralty, but in most instances the articles were historical rather than topical; they were written by people looking back a year or so rather than describing the machine as it was working at that date. In contrast the Spring, 1944, issue of *Public Administration Review* contained an article on "Administrative Control Techniques of the War Production Board" by the Chief of the Planning and Standards Section. Other

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articles on the administration of W.P.B. appeared in the Winter and Summer numbers of 1944. In the Summer, 1944, issue the Director of the Bureau of the Budget contributed an important article on "The Budget as an instrument of Legislative Control and Executive Management," whilst the Autumn, 1944, issue was devoted to administrative management in the Army Service Forces, all written by the people actually doing the job. This contrast reflects the resourcefulness of the Editor of *Public Administration Review*, but the absence of similar articles in the British journal also reflects the traditional reluctance of the British civil servant to write articles about his work and Department, except perhaps in retrospect when no political issues are likely to be involved. Yet within the limits set by this tradition, which no serious student would wish to see thrown over, it should be possible for more articles to be written, descriptive of the organisation and processes of Whitehall. For without this raw material the literature and study of public administration will make less satisfactory progress.

A second contrast is the interest of the American journal in what we would term the Parliamentary and Ministerial side of central government. Professor Laski and Don Price have during the past year had an exchange of views on the relative merits of the Parliamentary and Presidential systems of government; the issue turned largely on the degree of control exercised by the legislature over the executive in the two systems. Needless to say no agreed conclusions were reached.

The *New Zealand Journal of Public Administration*, now in its seventh year, continues to maintain a high level. It is published half yearly and the subscription for delivery in this country is 8s. per annum. The September, 1944, issue contains a most interesting account of recent developments in the Australian Foreign Service by the Rt. Hon. H. A. Evatt and an article on the Future of the War-time Controls by the Director of Stabilisation. Both these articles are of topical interest to administrators in this country. In building up her diplomatic service Australia is at present handicapped by the man-power shortage and in particular by the diminished supply of university graduates. So far as senior posts in the service are concerned outside specialists have been recruited. For the junior posts the Government adopted in 1943 a Diplomatic Cadet Scheme. Recruits are selected by open competitive examination, consisting of an English essay, a précis, and two papers, one on current Australian and international affairs and the other designed to test the candidate's knowledge of history, economics, literature, art, etc. A personal interview is given to those successful in the examination and the persons finally selected become Diplomatic Cadets. They are appointed for a probationary period of two years during which time they undergo a course of university training at Canberra, designed to include the subjects most likely to be of use to them in their career. Cadets successful in this probation period receive appointments as Third Secretaries in the Department of External Affairs. Here is an experiment which will be watched with interest.

D. N. C.

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